

## Sanctions exchanges with oil firms being sent to DPP

of the Government's  
ges with the oil companies  
hodesian sanctions evasions  
be referred to the Director  
olic Prosecutions, Dr David  
the Foreign Secretary, said  
ay when he opened the

## No cover-up, Dr Owen says

Noyes  
ary Correspondent  
Dr Owen, the Foreign  
told the Commons  
when he opened the  
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ous: "Whether one

## £820,000 statue investigation by police

By Geraldine Norman

An Hellenic bronze statue  
thought to represent the god  
Poseidon, which is an loan to  
the Royal Scottish Museum in  
Edinburgh, is being investi-  
gated internationally by the police.  
The piece is lent anonymously  
but it is an open secret that it  
belongs to the British Rail Pen-  
sion Funds; its insurance  
valuation is £820,000, covered by  
a government indemnity.

That is one of the highest  
prices recorded for any work of  
art, and reflects the extreme  
rarity of such a large (half life-  
size) and complete classical  
sculpture.

The Italian authorities he-  
lieve that it was found in the  
Bay of Naples a few years ago  
by clandestine searchers and  
smuggled out of Italy, according  
to Dr Rodolfo Siviero.

Dr Siviero is the minister in  
charge of the Delegazione  
Italiana per la Restituzione, an  
office for securing the return  
of works of art that have left  
Italy illegally. He says three  
sculptures were found amid the  
partly submerged Roman  
ruins off the coast at about the  
same time; there was also a  
larger than life-size marble lion,  
which he believes to be in Lon-  
don, and a bronze puma's head.

His present aim is to secure  
the return of the Poseidon to  
Italy with the help of the  
British police.

Scotland Yard confirmed that  
it had received a request for co-  
operation from the Italian  
authorities through Interpol,  
which had been passed on to  
the Lothian and Border police  
in Edinburgh. The Italians re-  
quested a check on whether the  
piece was still on view and  
whether it was the same as that  
found in Italy.

The Royal Scottish Museum  
said the police had been in  
touch, but the Lothian and  
Border police offered "no  
comment about the whole  
issue".

It looks as if £820,000 of the  
railwayman's pension expec-  
tations is in the balance. The  
central question is whether the  
Italians can prove that the  
statue is the one that was  
secretly discovered near  
Napoli a few metres below  
the surface of the sea, and then  
smuggled out of the country.

According to Dr Siviero the  
Italian authorities' knowledge of  
the affair comes from someone  
who claims to have seen it in  
Italy.

British Rail and its art in-  
vestment advisers, Sotheby  
Parke Bernet, are refusing to  
comment. They will not even  
confirm that the British Rail  
Pension Funds owns the statue.

It was being offered for sale  
a few years ago by Robin  
Symes, the London dealer in  
antiquities. He showed it discreetly to a few  
scholars and rich potential  
clients, but will make no com-  
ment on its sale. It was offered  
on loan to the British Museum,  
which declined it, before the  
loan to Scotland was negotiated.  
Thus quite a few people have  
had the opportunity to study  
the piece and its background.

I am assured, though not by  
its present owners, that it has  
a most respectable pedigree,  
which seems to run roughly as  
follows: found in the off-  
shoots of the Second  
World War, it entered an  
Egyptian collection; it was  
taken out of the country shortly  
before the Nasser coup and  
came by way of Switzerland  
to London.

If that pedigree can be sub-



Poseidon, whose origin may affect rail pensions.

## Dr Mulder resigns post in Cabinet but denies any wrongdoing

From Eric Marsden  
Johannesburg, Nov 7

Dr Connie Mulder tonight  
announced his resignation from  
the South African Cabinet, say-  
ing that he was doing so to  
help Mr Pieter Botha, the Prime  
Minister, "to repel the on-  
slaught against the National  
Party, the Government and the  
country".

Dr Mulder, who held the  
portfolio of Plural Relations,  
was formerly Minister for In-  
formation. He has repeatedly  
denied knowledge of malprac-  
tices in that ministry as the  
scandal of financial misapprop-  
riations has developed over  
the past year. But since last  
week's disclosure by Mr Justice  
Mosier of evidence given to  
his inquiry that an attempt was  
made to launch a pro-govern-  
ment newspaper with public  
money, Mulder said Dr Mulder  
to stand down.

Late tonight it was en-  
ounced that the Prime  
Minister had advised the  
President to withdraw the com-  
mission given to Judge Mosier  
to inquire into alleged financial  
irregularities in the Infor-  
mation Department.

Mr Botha said that the one-  
man inquiry by Mr Justice  
Mosier, who made the  
evidence given to him public in  
defiance of an order from the  
Prime Minister, would be  
replaced by a 12-man parlia-  
mentary commission.

Up to this morning sources  
close to Dr Mulder were insist-  
ing that he intended to keep  
his post and fight in clear his  
name. Tonight, however, in an  
unexpected statement, he  
announced his immediate resig-  
nation.

The statement said: "I am  
convinced of my innocence and  
therefore I am still prepared  
to give evidence before the  
Erasmus Commission to prove  
my honesty and integrity  
beyond all doubt. I have no  
pangs of conscience because  
everything I have done I did  
in the conviction that I was  
serving my country."

He emphasized that he  
believed the Prime Minister  
and showed "displeasure, cor-  
rectness, honourableness and  
decency" towards him. Dr  
Mulder pledged his continued  
support for Mr Botha and  
added that he still hoped to  
"make my own contribution  
in my own way and my own  
time."

The former minister, who  
remains as chairman of the  
National Party in the Transvaal  
where he has a strong follow-  
ing, is expected to give evidence  
soon to the commission headed  
by Mr Justice Rudolph Erasmus,  
which has been charged with  
making a full investigation into  
the Information Department's  
secret activities. Judge Erasmus  
issued a statement tonight say-  
ing that the hearings will be  
held in secret.

Dr Mulder's downfall, even  
if temporary, marks an asto-  
nishing reversal for a man who  
has been tipped for years as  
a future leader of South  
Africa. Less than two months  
ago, after Mr John Vorster's  
resignation as Prime Minister,  
he was narrowly defeated by  
Mr Botha in a party vote for  
the succession. Voting was 98  
to 74 and was very close on  
the first ballot in which Mr  
R. F. Botha, the Foreign Min-  
ister, won 22 votes.

## Iran arrests former ministers

Tehran, Nov 7.—Iran's new  
military Government today  
arrested the former head of the  
Savak, the police, and six  
former Cabinet ministers, the  
official radio announced.

The arrests were in line with  
the Shah's new policy of fight-  
ing "the mistakes of the past"—  
the sources of discontent which  
provoked the recent violence.  
All those arrested have been  
criticized by opposition leaders.

General Nematollah Nassiri  
was the most prominent among  
them. The head of the Savak  
for 13 years, he was accused of  
ordering torture and illegal  
arrests.

Also held were Mr Dariush  
Homayun, Minister of Infor-  
mation in the government which  
resigned last August, and Mr  
Manuchehr Azmun, a minister  
in the subsequent government,  
which resigned on Sunday  
night.

Other former senior officials  
and businessmen have been  
detained, bringing the total  
number of arrests to 35.

Government officials said  
that General Ali Moshayesh  
Khademi, who resigned two  
months ago as head of Iran  
Air, died in hospital today,  
apparently after a suicide  
attempt.

As tension eased in Tehran  
today, the military moved 40  
tanks from the outskirts of the  
city to reinforce armour on the  
central streets.—Renter, Agence  
France-Presse and AP.

## Prospects of joining EMS fade

From Michael Hornsby  
Brussels, Nov 7

Britain, Italy and Ireland  
have failed to convince their  
EEC partners that any substan-  
tial new transfer of resources  
from the richer to the poorer  
member states of the  
Community is a necessary condition  
of the proposed new European  
Monetary System (EMS).

This must not only make it  
even more probable, it now  
certain, that Britain will decide  
against participating in the  
EMS, but also significantly in-  
crease the chances of the  
Italians and the Irish eventually  
electing to join Britain on the  
sidelines.

A report adopted here this  
week by the EEC's Economic  
Policy Committee (EPC), the  
body charged by EEC heads of  
government in Bremen last July

Continued on page 27, col 1

## Callaghan hint on Rhodesia summit

By Fred Emery  
Political Editor

The Prime Minister said yester-  
day that he would not  
hesitate to convene a conference  
on Rhodesia, like the Camp  
David one, if he saw any chance  
of its succeeding. But Mr  
James Callaghan cautioned the  
Commons that while he would  
take such an opportunity if he  
saw it, he believed that neither  
side was yet willing to make  
the compromises "to enable  
this last and final card to be  
played".

Mr Callaghan's disclosure  
was provoked by an im-  
passioned appeal from the Con-  
servative front bench for later-  
week. Mr Francis Pym, in an  
impassioned first speech on  
foreign affairs, insisted that the  
war had become so grim that it  
required the full authority of  
the highest office in Britain.  
Mentioning Camp David, Mr

Pym went on: "I am talking  
about negotiations behind closed  
doors—Chequers or wherever  
the Prime Minister likes. Bring  
the leaders together. Reconcile  
the leaders. It is reconciliation  
and peace we are striving  
for."

Mr Callaghan got to his feet  
for the fourth time in response  
to Mr Pym. Speaking very  
quietly, he said he had con-  
sidered and talked over the idea  
and "had been approached from  
Rhodesia on this matter."

He continued: "I only want  
to say that if I can see the  
prospect of bringing people  
together privately with the pros-  
pect of success—because once  
you engage it, it falls, there is  
no card left—if I can see that  
prospect, now I give you my  
assurance I shall not hesitate to  
do so and to conduct it."

Continued on page 2, col 1

## y results put Gandhi strong lead

Gandhi, India's former Prime  
minister, took a strong early lead when  
his Sunday Chikmagalur by-  
gan to be counted. With more  
ard recorded, she had a lead of  
00 votes over her Janata oppo-  
nent ahead in all eight of the  
y's sub-divisions. It is her  
first attempt to return to Parli-  
ament after her defeat in March, 1977.

Page 8

## of pay flexibility

han indicated that some flexi-  
bility was creeping into the Govern-  
ment's policy by referring to single-  
cases in earnings, at the same  
time the prospect of 5 to 6 per  
cent by the end of 1979 if settle-  
ment is based on 5 per cent

Page 2

## ess at Vauxhall

ards representing 13,000 Vaux-  
hall workers at Luton voted to endorse  
worth an immediate 8.5 per cent  
pay rise. They hope that the offer would  
be further increased when  
five of the Amalgamated Union  
representatives endorsed the pay

Page 2

## Americans vote in mid-term elections

Americans voted yesterday to elect 35  
senators, a new House of Representatives  
and 36 state governors. Turnout was  
reported to be heavy in the morning and,  
if that trend remained steady throughout  
the day, it could help the Democrats.  
Most results will be known by Page 3  
today.

## Dutch leader resigns

Mr Willem Aankjes, the parliamentary  
leader of the Christian Democrats, the  
senior partner in the Dutch coalition  
Government, has resigned all his political  
posts because of his wartime connexion  
with the Nazi SS. He told a press con-  
ference that he had applied to join the SS  
in order to escape from Germany.

Page 7

## Solicitors protest

A group of solicitors walked out of Belfast  
Magistrates' Court protesting at the  
Government's emergency measure to  
counter the effects of the work-to-rule by  
prison officers. Under the measure,  
magistrates in Ulster no longer require a  
prisoner to be in court to be remanded.

Page 2

Joe Davis: The cue with which the former  
world snooker champion won most of his  
main titles is to be displayed at the  
Ecclestone Club

Page 20

## Charter 77 appeal to UN for help

The Charter 77 movement has appealed to  
the United Nations and all signatories  
of the Helsinki accords for help against  
the growing persecution by the Prague  
authorities of all those active in the field  
of human rights. It is for the first time  
that the Charter has turned to the out-  
side world for support.

Page 9

Leader page 10

Letters: On the prison service, from Mr  
C. H. Rolph, and Mrs R. A. Lamb; on edu-  
cation and the law, from Mr Raymond  
Shimell; on negligent lawyers, from Mr C. R.  
Bury.

Leading articles: CBI conference; Mrs  
Gandhi's comeback; European elections  
Arts, page 12

Shiridan Morley talks to Harold Fielding  
about his musicals; John Higgins on how  
the San Francisco Opera revealed the seamy  
side of La Bohème; concert notices by  
William Mann and Joan Chiswell

Features, pages 13, 18

Bernard Levin on India's sterilization vic-  
tims; Marcel Berlins on the Rhodesian pan-  
der who cannot come in Britain; The Times  
Sport, pages 10, 11

Football: Welsh captain transferred for  
record fee; Rugby Union: New Zealand  
wins their final game in Ireland; Welsh RFU  
plan to control crowd behaviour

Obituary, page 20

Professor Robert McCadden

Business News, pages 26-32

Financial Editor: Credit pressures on the  
banks; Whitbread taking market share; Costs  
Parsons something to come Associated

British Foods at the bread strike starts  
Stock markets: Shares were again on the  
slide and the FT index fell 5.9 to 469.5 in  
this trading. Gilt edged also

Business features: Janis Hutchinson de-  
scribes how the West German trade unions  
are challenging the legality of lock-outs by  
employers in the courts; Margaret Stone  
argues that the Government miscalculated  
over house prices

Business Diary: The new President of the  
Institution of Civil Engineers, on pocket  
calculators

## Independent bakers try to peg prices as strike starts

By Donald Macintyre  
and Robin Young

The Government yesterday  
acted to prevent overcharging  
by bakeries producing bread  
during the strike by 25,000  
members of the Bakers' Food  
and Allied Workers' Union,  
which started yesterday at 6 am.

As queues formed throughout  
Britain, Mr Roy Hattersley,  
Secretary of State for Prices  
and Consumer Protection, asked  
the National Association of  
Master Bakers, representing  
independent bakeries, not to  
raise their prices.

A statement from Mr Hatters-  
ley's department said the asso-  
ciation had readily agreed to  
the request and would recom-  
mend its members to adopt it  
for three weeks or the duration  
of the strike, whichever was the  
shortest.

The department asked local  
authorities to request consumer  
protection departments to  
watch for overcharging. It said  
an order had been signed to  
exempt the independent bakers  
from registration under the  
Restrictive Trade Practices Act.  
Mr John Silkin, Minister of  
Agriculture, Fisheries and  
Food, appealed to bakers still  
producing to give priority to  
mothers with children, pension-  
ers and the disabled.

The Advisory, Conciliation  
and Arbitration Service was in-  
touch with both sides of the  
dispute yesterday, but there  
were no plans last night for  
talks before the end of the  
week.

The striking bakery workers,  
employed by Rank Hovis Mc-

Douglas and Allied Bakeries,  
which bake more than two-  
thirds of Britain's bread, are  
claiming increases that the em-  
ployers say amount to 25 per  
cent. The bakers' union has re-  
fused an 11 per cent pay and  
productivity offer.

Mr Morris Zimmerman, direc-  
tor of the National Association  
of Master Bakers, said that if  
the strike continued independ-  
ent bakers would probably be  
able to increase production by  
half.

Mr Zimmerman said increased  
bread production was likely to  
be at the expense of Christmas  
fare, such as fruit cakes and  
mince pies.

Although panic buying of  
bread had started before the  
strike no one appeared to be  
going hungry yesterday. Some  
bakers sold out and closed by  
9 am, but others were still  
serving queues of several hun-  
dred people in the afternoon.

At Colson's, in Leather-  
Lane, Holborn, London, the  
queue blocked the pavement at  
lunchtime, but customers were  
still being served and there  
were few takers for sirup  
flour for breadmaking at 98p  
for a 3½ lb bag.

In Southampton two shots  
from an airgun were fired at a  
milkman after a struggle over  
a 27p loaf. A man was later  
questioned by the police.

Consumption of bread a  
head of population had dropped  
by a third in the past 20 years  
and the decline has been sharp-  
est in the past two years.

Punitive pay cut, page 2

Dearest loaf unlikely, page 27

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## Solicitors walk out in protest at Ulster emergency order

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Interd. and Aux. Relation Subject

**Abstract**—The purpose of this study was to determine if there were differences in the prevalence of musculoskeletal disorders among different types of workers. Data from the National Longitudinal Study of the Adolescent Workforce (*NLS-AW*) were used to examine musculoskeletal problems among three groups of workers: those who had worked in manufacturing or construction, those who had worked in services, and those who had never worked. The results showed that workers in manufacturing and construction had higher rates of musculoskeletal problems than those in services and those who had never worked. These findings suggest that workers in manufacturing and construction are at a higher risk of developing musculoskeletal problems than those in services and those who have never worked.



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## HOME NEWS

## Tip to police prompts new hunt for industrialist

From Christopher Walker

Seventy-five policemen equipped with a bulldozer and dogs searched a remote hillside in the glens of Antrim early yesterday in an attempt to solve one of the great mysteries of the Ulster crisis: the disappearance nearly five years ago of Mr Thomas Niedermeyer, the honorary West German consul.

No trace has been found of Mr Niedermeyer, managing director of the Grundig factory in Belfast, since he was abducted by two men from his home in a suburb of the city late on the night of December 27, 1973. Although there has been no authentic claim of responsibility for the kidnapping, it has been assumed to have been the work of the Provisional IRA.

Of the many theories about the case, the most plausible assumes that Mr Niedermeyer was murdered by his captors after suffering a heart attack, and in 1976 he was officially declared dead by a court in Nuremberg, West Germany. But the Royal Ulster Constabulary has not abandoned the investigation, which in its macabre history has involved an Irish clairvoyant, Interpol, and West German anti-terrorist experts.

Early yesterday a senior RUC detective telephoned Mrs Ingeborg Niedermeyer, who still lives in Belfast with one of her daughters. Informed of her dramatic development in the case, after receiving information, the police were about to start a concerted search for her husband's body near the small seaside resort of Carraduff.

Throughout the day armed police stood guard while the search took place over a two acre section of one of the most picturesque and deserted areas of Northern Ireland. Detectives had to dig out two possible grave sites for closer investigation when darkness fell. Detective Chief Superintendent William Mooney, who is in charge of the case, refused to disclose the source of the information that led to the operation, but he said it would begin again today at first light. Two buildings, an old farm and a modern bungalow, were situated on the taped-off site where the search was concentrated. But it did not seem that they had any connexion with the crime.

## Thousands of Scots in referendum anomaly

From Our Correspondent

Ayr  
Thousands of Scottish voters will find themselves in an anomalous position on March 1, devolution referendum day. They are those who, quite legally, have their names on more than one electoral register.

Depending on how they decide to vote, they will to all intents and purposes have either two votes or none.

Pro-assembly campaigners who find the dice loaded against them because of the wording of the Scotland Act have asked Mr John Smith, Minister of State, Privy Council Office, who is in charge of the devolution legislation, to set quickly to sort out the situation.

Mr James Sillars, MP for Ayrshire, South, vice-chairman of the Yes for Scotland Campaign, said yesterday:

"Normally in parliamentary elections the question of double registration is no problem. However, many times your name appears on registers, either deliberately or by mistake, you can vote only once."

"But in the referendum the Act requires that 40 per cent of the names of the registered voters must vote 'yes' before the assembly goes ahead, and immediately your second registration comes into play."

As an example, he said, a student from Ayr who is studying at Aberdeen University may be registered in both

places. If he votes "No" in Aberdeen, and abstains in Ayr, as he is legally obliged to do, then his abstention in Ayr counts effectively as second "No" vote there.

If he votes "Yes" in Aberdeen his abstention in Ayr effectively negates his real vote.

"No one knows how many people are involved in this situation," Mr Sillars said. "Students are one obvious source, but many others are in the same position."

He added: "The anomaly is that the elector in this group voting 'No' can sit back happily knowing he has a double vote. The one wanting to say 'Yes' is effectively disfranchised."

In a letter to Mr Smith, Mr Sillars said that two members of the Yes for Scotland Campaign committee were among those who would not be able to register a positive "Yes" vote.

Mr Smith said later the Government was well aware of the matter and was considering what redress could be made in the size of the electorate to allow for those registered twice and those on the register who had died.

"We do not know how many people are involved," he added. "We are looking into it, but we are not yet in a position to say exactly what we shall do about it. The matter can be raised later this month when the referendum orders are laid."

## Tories take Steel hint on Queen's Speech vote

By George Clark

Political Correspondent

Mrs Margaret Thatcher and the Conservative Shadow Cabinet have taken the hint given by Mr David Steel, leader of the Opposition, that they should vote against the Queen's Speech in order to challenge the Government effectively on the debate they should propose an amendment referring to the need for a general election.

In the context of their amendment criticizing the Government's economic policies, the Opposition have done just that, and the Liberals have decided to vote with them. It is not likely to have the effect of bringing the Government down.

One or two Ulster Unionists

may join the Conservatives and Liberals, but most of them, and all the Scottish and Welsh nationalists, are expected to vote with the Government. Without a united front formed by all the opposition and minority parties, the Government will be safe.

The Conservative amendment to the speech, to be put to the vote on Thursday night, states: "But humbly regrets that the policies set out in the gracious speech are totally inadequate to deal with the serious economic problems of the country, and that your Majesty's Government has denied the British people the opportunity to elect a new Administration capable of creating lasting prosperity in which all can share."

## Former iron workers to process ginseng

From Tim Jones

Cardiff

An ugly, yellow root, to which aphrodisiac properties are ascribed, is soon to be processed in Ebbw Vale by former British Steel Corporation employees. Their jobs disappeared because of modernization and rationalization programmes.

The process company, the Red Kooqa King of Ginseng Company, a subsidiary of English Ginseng, is setting up in south Wales in cooperation with the steel corporation.

Ginseng roots are becoming increasingly sought after in the western world. The substance is used by Russian cosmonauts and Chinese soldiers, and the directors of the company hope it will become part of the British way of life.

Mr Raymond Halliwell-Cooper, the managing director, said: "It is said to help a person's sex life simply because it makes you feel good, you will act naturally."

Although ginseng has not yet been accepted by the British pharmacopoeia, Dr Stephen Piller, a human biologist with the British National Institute for Medical Research, says: "It has likely possibilities for a herb which can improve the general health and vitality of old people by delaying the onset of degenerative conditions associated with old age."

The company will obtain supplies of ginseng from south Korea, where the roots take six years to grow on ground that cannot be used for again until 15 years have elapsed.

One reason why the steel jobs were lost at Ebbw Vale was that its outdated steel production methods could not compete with the low cost Korean iron and steel products.

Ginseng processing will form only part of the company's output from what will become one of the most modern pharmaceutical plants in Europe. Eventually the company hopes to employ between 200 and 250 people.

## Mrs Guinness critically ill in hospital

Mrs Aulene Guinness, the wife of Mr James Guinness, a banker and a member of the brewing family, was critically ill in hospital yesterday after collapsing at her home at Martingale, Hampshire, on Sunday.

Mrs Guinness, aged 53, is in the intensive care unit of Basingstoke Hospital, the hospital secretary said yesterday: "We do not yet know how long she will be in the intensive care unit, but she is very critically ill. It would not be right for me to say what the cause is."

One of Mrs Guinness's four daughters said: "My mother had a hysterectomy recently, felt rather depressed afterwards, then collapsed on Sunday evening."

Mr Guinness said: "We had a silver wedding anniversary celebration with some wine on Sunday. My wife then had a sleep and was taken ill."

In May, Lady Henrietta Guinness, aged 35, beirress to the brewery, fell to her death near Kew, London, after a fall from a balcony. Her husband, Mr Guinness, died in a car crash.

Miss Prol faces new charge

Astrid Prol, the suspected Baader-Meinhof terrorist, is to face an extra charge, believed to relate to the alleged use of a false passport to enter Britain, which might delay extradition proceedings on two murder attempts charges. It was stated at Bow Street Magistrates' Court yesterday.

Mr Alan Devereux, deputy chairman of Scottish Iron and Steel, said: "The wives who see their housekeeping dwindling during the gross stupidity of strikes for content money," he said. "Let us encourage them to speak out. They can revolutionize the situation overnight. The wives should insist: No strike without a secret ballot."

Mr Ronald Utiger, managing director of British Aluminium, said it was widely recognized that price control had very little effect on inflation and that the effect of the industrial profits.

Why, he asked, did the linking of the two issues of money and price control forward in the face of all the evidence against it? There was a mistaken belief that the wives should insist: No strike without a secret ballot.

Mr Alan Devereux, deputy chairman of Scottish Iron and Steel, said: "The wives who see their housekeeping dwindling during the gross stupidity of strikes for content money," he said. "Let us encourage them to speak out. They can revolutionize the situation overnight. The wives should insist: No strike without a secret ballot."

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## CBI CONFERENCE/BRIGHTON

## Conditional support for wage target

Industrialists closed ranks to avert a threatened split over the Government's 5 per cent pay restraint policy yesterday. In response to repeated calls for employer solidarity made at the Confederation of British Industry's Conference, delegates voted unanimously, if reluctantly in some cases, to give conditional support for the pay target.

Employer leaders feared the example given by Ford in making pay offers over the limit could spark a revolt. The CBI's official policy of acquiescence. Many smaller firms believe that wage settlements should be left entirely to individual employers and their workforces. They particularly dislike their representative body giving even qualified support for government intervention in this issue.

While broadly agreeing with the Government's 5 per cent aim, the CBI has never supported a fixed limit. It was tough and goes to whether the CBI Council backed the Government's policy in July and leaders were apprehensive that, given four months' practical experience of trying to hold it, that an open meeting of members could have resulted in a withdrawal of support.

Such a decision would have been highly embarrassing to Sir John Mervin, the CBI's director general, hours before a delicate meeting with Mr Denis Healey, the Chancellor of the Exchequer, to discuss the compromise package, being developed after the TUC's rejection of the 5 per cent limit.

Summing up the debate, Sir John admitted that the outcome was "most crucial". He urged delegates that "as long as we can maintain continuous support a target, not a norm, in the interests of keeping inflation down."

"Our prime objective must be to reduce our rate of inflation," he told delegates. "If you are going to achieve this, then settlements must be around that 5 per cent mark."

At the same time he reassured members that there would be no question of supporting a pay policy which involved further price controls. "We will have no part in that at all," he emphasized. "In any Government-TUC deal which requires employers and managers to pay penalties which could gravely damage business interests and in particular any measures involving screwing down prices."

Calls for employer solidarity to resist excessive wage demands came from a variety of speakers. Sir Campbell Fraser, chairman of Dunlop Holdings, argued that a collective drive was needed to restore the power balance against the unions. This might be achieved if employers "were prepared to act more effectively together, to show more solidarity and not undermine each other's positions," he said.

Collective action by employers was also urged by Mr Peter Linklater, a director of Shell UK, who said that "appealment never works, you have got to meet strength with strength", and by Mr John Mervin of the Engineering Employers' Federation, who criticized the "timidity and intransigence of employers". He called for stronger leadership from industrialists.

Several speakers expressed disapproval at actions being applied to employers but not to trade union breaches of the pay limit. But critics were more muted than had been expected. Only one speaker, Mr Chris Walli, director of the Delta Metal Cor, advocated measures such as the FAWE rebates to strikers and that if the disputes were unofficial procedures broken.

Although the Ford dispute was at the back of every delegate's mind, the debate on pay, it was only mentioned directly by Sir John Mervin, his closing address, he said that officials must accept the responsibility of sticking to a contract "not of their own making but of their own ends". Ford where the strike began before current agreement ran out.

Not all the employers were antagonistic to unions. Mr Clifford Rose, a member of the British Railways Board, put a suggestion that employers should put their workforce to take an active part in union efforts to help shape policies and urged members to wishing the unions would go away.

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## Search for ways to halt export decline

The final session of the conference, considered the need to win markets for British goods and services, and the importance of trade to the United Kingdom economy. Introducing the topic, Sir Peter Parker, chairman of British Railways Board, said: "The message is that we have to shake off our imperialist hangover of past centuries and adopt a new attitude of openness to the world."

"The message is clear, surely. No longer are we the workshop of the world. No longer are we the nation of shopkeepers. The message is that we have to shake off our imperialist hangover of past centuries and adopt a new attitude of openness to the world."

He believed the evidence was stark. Imports were rising into the home market which should be producing a strong base for exporting. We were not just importing raw materials as in the past. Nearly 25 per cent of our manufacturing output was imported, he said. He believed that "in exporting our decline is as obvious as a kick in the teeth", he said.

During the period between 1948 and 1974 the volume of world trade in manufactured goods grew tenfold. Yet our share halved. Although our position since 1973 had stabilized, this could simply be due to a relatively better world trade situation, he said. He urged the conference to adopt a new attitude of openness to the world.

He stressed that no-price competitiveness was increasingly relying in world markets—especially for some sophisticated products in which we should have been specializing.

We must sharpen our priorities in research, design, quality delivery and after-sales service. These are the five senses of marketing. And I would add a sixth: the marketing, venturing interest of sheer enterprise," he added.

Mr Tom Lyon, chairman of Clam-Brunner, said the debate was taking place against a background of a continuing large deficit in our trade balance with other EC countries.

Last year, that deficit was £1,700m compared with our deficit with Japan of £500m.

This year, we have only the figures for the first six months which show that we are running up a deficit with the Community of £1,200m which is 20 per cent, up on last year.

"These figures are appalling and if it were not for North Sea oil they would be frightening," Mr Lyon said.

British industry was still out taking sufficient advantage of the vast trading area that the Community presented, he said. Britain's largest single customer.

He started a company eight years ago but would not do it again. He said the motivation to create hundreds of new jobs "trying to do what he could do with a new suit or take his wife on holiday."

Let me be proud of our successes and banish jealousy, enviousness to the mediocrity of their own Utopia," he said.

Summing up, Sir John Mervin, the CBI's Director General, said the debate was the most crucial one yet. He urged delegates to get the pay scene right. He said the balance of power was shifting. He said the balance of power was shifting. He said the balance of power was shifting.

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## Merger may isolate union's left-wingers

By Our Staff

The Amalgamated Union of Engineering Workers is to embark on moves that might increase the isolation of the union's white-collar section, which is led by left-wingers.

The leaderships of the small foundry and construction sections have agreed to proceed with proposals for a full merger with the dominant engineering section, which has 1,200,000 members. Mr Terence Duffy, the new president of the engineering section, was elected as champion of the union's right wing.

The proposals for the merger follow the lines of those drafted more than two years ago, and

those continued and tortuous negotiations failed to establish a basis for a merger of all four sections.

The white-collar Technical, Administrative and Supervisory Section (AUW/TASS), which has 200,000 members, overwhelmingly supported those proposals at its conference this year.

But it insisted on assurances designed to prevent the leadership of the new union from going into further mergers with outside unions without full consultation with all sections.

Under the present plan, the foundry section, which has 68,000 members, and the construction section (30,000 members) have agreed a transfer

of engagements to the engineering section, subject to a membership ballot.

The engineering section leadership will recall its rules revision conference to approve the change. Mr John Boyd, the union's general secretary, said that conference would be later this year and its operation was to complete the operation by March



ME NEWS

## et advisers suggest ing butter to consumption of fat

Clayton  
action of fat consump-  
a quarter was recom-  
yesterday in a report  
by the Centre for  
Strategy, the farm-  
ink-tank, Reading.  
y. "Certainly there is  
nutritional reason to  
he present subsidy on  
said. "It could be  
ar butter be taxed."  
sport, presented at a  
e organized in London  
Institute of Biology,  
n attempt by scientists  
t targets for Britain on  
ern of the "dietary  
ggestions that have led  
arguments in the  
ates.  
port was prepared by  
four which included  
John Norris, director  
eat Research Institute  
gricultural Research  
and Dr Michael Craw-  
d of biochemistry at  
old Institute of Com-  
Medicine.  
uggestions and the  
ns on which they are  
far more radical than  
est. official views  
by the Department of  
Social Security in its  
eating for Health, pub-  
September.  
ing list of proposed  
will reopen many dis-  
ween nutritionists and  
industry, including  
tensants said that it  
better to cut the  
f fat in bottled milk  
u the amount of milk  
That is the precise  
of the fundamental

FAT CONTENT OF FOODS (%)	
Milk	3.5
Cheddar cheese	34.5
Cheshire	30.7
Stilton	40.2
Cream cheese	65.4

Source: Centre for Agricultural Strategy.

assumption on which all milk  
marketing in Britain is based,  
that milk should be sold in its  
natural state.  
The scientists also called for  
farmers to be encouraged to  
produce leaner animals for  
meat. "The fatter stock  
classes should carry a financial  
penalty", they said. Butter  
consumption ought to be cut by  
40,000 tonnes a year, or more  
than a tenth, they went on.  
The British Government had  
failed to adopt an EEC system  
that would benefit consumers  
by permitting sales of bottled  
milk with different fat con-  
tents. "It would allow con-  
sumers to reduce significantly  
the contribution of animal fat  
to their total fat intakes", the  
scientists said.  
They also called for display  
of fat content on the labels of  
cheese, and said that many  
European countries already de-  
manded it. As cheese con-  
sumption has risen steadily for  
the past 20 years, the introduc-  
tion of labelling would inform  
consumers of the often unrecog-  
nized contribution of dietary  
fat to different cheeses", they added.  
Food Health and Farming, CAS  
Paper Seven (Centre for Agricul-  
tural Strategy, 2 Barley Gate,  
Reading, Berkshire.

## man found dead and ally assaulted

Correspondent  
sa Trist, aged 63, the  
ife of a London bar-  
es found murdered  
ly assaulted 200 yards  
home over her dress  
North Street, Roch-  
yesterday.  
believed to have left  
Monday night to visit  
but was waylaid as  
a garage for her  
ked body was found  
ground near the  
between two public  
Old Ship said the  
Death was due to

## v rules will help lone ents who have jobs

early  
rices Correspondent  
vernment is to reduce  
to 24 the number of  
eek lone parents have  
before qualifying for  
some supplement. The  
s, which take effect  
ly, were announced in  
the written reply last  
Mr David Ennals, Sec-  
State for Social Ser-  
the new rules would  
much easier for lone  
combine the task of  
up a family, with  
job, instead of relying  
social security ben-  
spect the change to  
to another 10,000 one-  
dies within the scope  
mily income supple-  
me at an annual addi-  
t for the scheme of  
m".  
nouncement was wel-  
night by the National

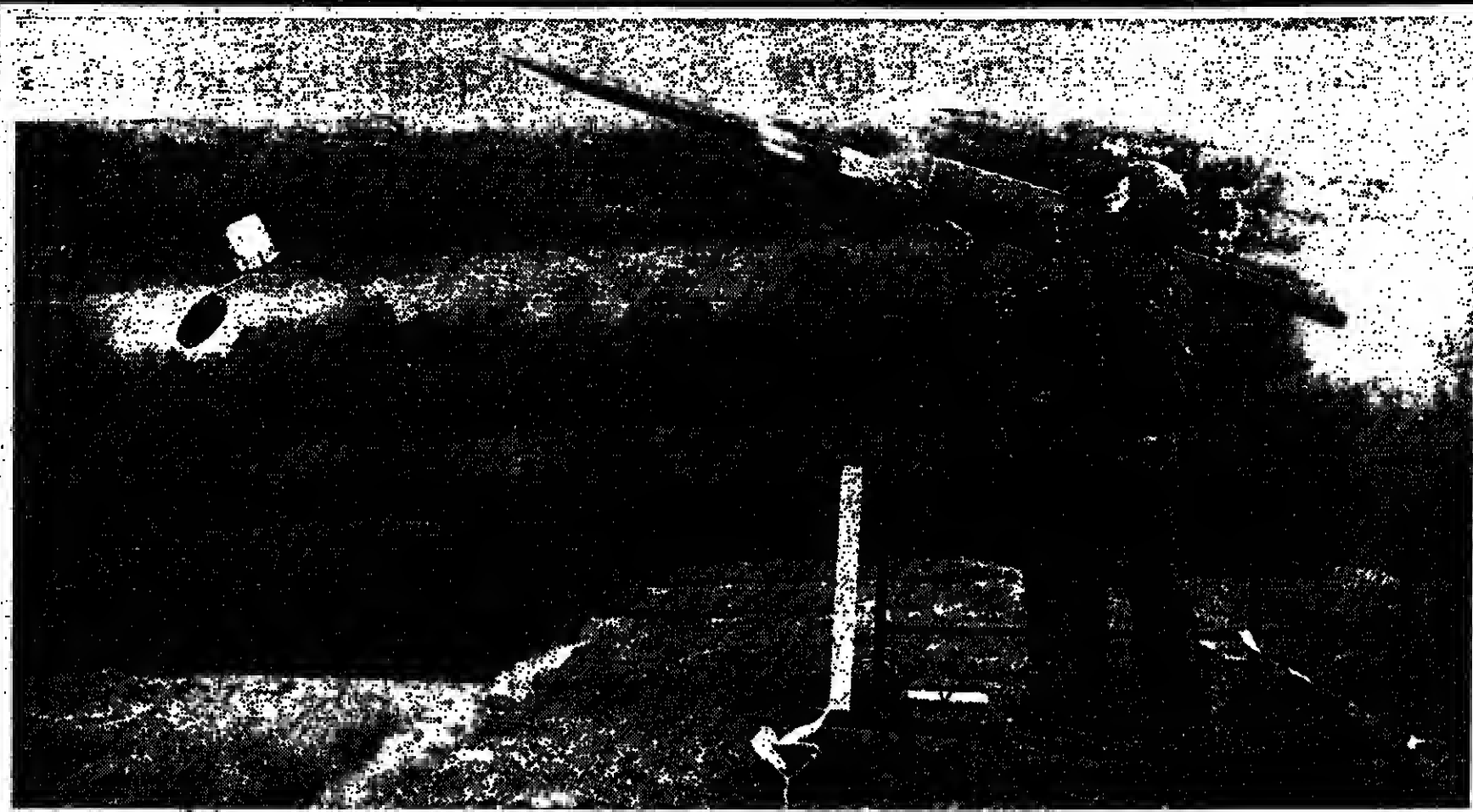
## gets a er more of damages

0 damages settlement  
Bourne, aged 15, whose  
s killed in a car crash  
o £1,500 by agreement  
after Mr Justice Ken-  
s had said in the High  
e he thought the boy  
less and his mother  
ard was part of a total  
J for the boy and his  
rs Nita Eileen Bourne,  
Hil Close, Bridge, Ken-  
leath of her husband  
was with his father in  
hich was hit by a lorry  
M. Kent, in October,  
e boy will also receive  
minor injuries.  
Christopher Sumner,  
for the boy and his  
said that damages for  
the lorry driver, Mr  
sckingham, of Foxway,  
and Fretfalia, Ltd.  
(now in liquidation)  
agreed on the basis  
Bourne was partly to  
the accident.

## C chief criticizes political 'finkering'

eth Gosling  
ing about "continuous,  
s tinkering", with the  
politicians was given at  
University yesterday by  
isel Swann, the BBC's  
He criticized govern-  
reproaches for internal  
ation as "managerially  
s and potentially dan-  
ing to the recommenda-  
the recent White Paper  
advertising that there  
he now management  
half their member-  
d directly by the Home  
Sir Michael said:  
th I do not think the  
government intends for  
nt using these new  
ents to exert political

pressure on us, it leaves  
path wide open for any future  
government that does".  
Despite its size, difficulties  
and tensions, the BBC was an  
astonishingly cohesive and loyal  
organization internally.  
Whether it was the best broad-  
casting body in the world or, as  
some people preferred to put  
it, the least worst, the BBC  
was not indestructible. "There  
must come a point where politi-  
cians can do it much harm,  
either by continuous, suspicious  
tinkering with it or by plain  
uncaring financial meanness.  
And for one of our rather few  
national institutions enervated  
and admired round the world, this  
would be, I believe, a disaster."  
I do not want to suggest that  
the BBC can or should escape



A soldier of the Territorial and Army Volunteer Reserve with the British Army's first surface-to-air missile to be fired from the shoulder. It is standard equipment with the Royal Regiment of Artillery.

## In brief

### Woman survives injury ordeal

Miss Dorothy Birch, aged 89,  
survived three nights lying in  
her large garden off the Hog's  
Back, near Farnham, Surrey,  
injured and unable to summon  
help after a fall.  
Last night Miss Birch, who  
lives alone, was recovering in  
hospital after being taken there  
suffering from hypothermia.  
She was found by chance by a  
workman who called at a  
neighbouring property.

### Henry Cooper in crash

Mr Henry Cooper, the former  
British heavyweight boxing  
champion, escaped without  
injury yesterday when the car  
he was driving went off the M1  
near Hemel Hempstead, Hert-  
fordshire, after a puncture, hit  
a hedge and caught fire.

### Montagna purchase

Merseyside County Council  
decided yesterday to buy for  
£126,287, for the Walker Art  
Gallery, the "Virgin and Child  
with a donor" by Bartolomeo  
Montagna, the north Italian  
painter. Grants will meet the  
entire cost.

### Novelist's prize

Mr Merlyn Rees, Home Secre-  
tary, will present the second  
Christopher Ewart-Biggs  
Memorial Prize today to Dervla  
Murphy for *A Place Apart*, a  
novel set in Northern Ireland,  
published by John Murray at  
£5.50. The prize is worth £1,500.

### Man climbs tower

Stephen Peake, aged 20, of  
Hazelbeech Road, West Brom-  
wich, climbed 350ft up Birming-  
ham's Post Office tower yester-  
day because it was something  
he had always wanted to do. He  
was questioned by the police  
and then released.

### Pilot dies on bridge

Captain Peter Gibson, aged  
63, of Eyemouth, a former pilot,  
collapsed on the bridge and  
died a few seconds before berth-  
ing a cargo vessel in Tweed  
Dock at Berwick yesterday.

## Journalist denies aim was to embarrass Government

By Craig Seton  
Crispin Aubrey, one of the  
three defendants in the Of-  
ficial Secrets Act trial, denied at  
the Central Criminal Court yester-  
day that he had interviewed  
a former soldier to get infor-  
mation to embarrass the Gov-  
ernment over the deportation  
of Mark Rosenbalt, an Ameri-  
can journalist, who worked  
with him on the magazine  
*Time Out*.  
Mr Aubrey, aged 32, told Mr  
Justice Moore-Jones, and the  
jury: "Never in my wildest  
dreams did I believe that the  
Official Secrets Acts would  
cover a private conversation  
between two journalists and  
someone who wanted to talk to  
them."  
The Crown has alleged that  
Mr Aubrey and Duncan  
Campbell, at the time a free-  
lance journalist, received infor-  
mation about British signals in-  
telligence (sigint) from John  
Berry, a former member of the  
Intelligence Corps. The three

pleaded not guilty to three  
charges under section 2 of the  
Official Secrets Act.  
The court was told that the  
interview between the three  
took place two days after the  
Home Secretary had confirmed  
the deportation orders on Mr  
Rosenbalt and Philip Agee,  
another American who was a  
former member of the CIA. Mr  
Rosenbalt had been a co-author  
with Mr Campbell of an article  
called "The Bavesdroppers"  
in *Time Out*.  
Cross-examined by Mr John  
Leonard, QC, for the Crown,  
Mr Aubrey said the Bavesdroppers  
article had come up in  
conversation with Mr Rosenbalt's  
deportation, but he thought it  
unlikely that it could have  
been wholly the reason for his  
being deported.  
Mr Leonard said: "You  
were upset by the Home Secre-  
tary's announcement and it  
caused you to lose your  
balance?" Mr Aubrey re-  
plied: "It is not true."  
The trial continues today.

## Waste-paper collection improvements sought

A joint committee of the  
Departments of Industry and  
the Environment is to examine  
ways of promoting the recy-  
cling of waste.  
So far the Government has  
provided £23m to the paper  
and board industry for new  
recycling plant. The difficulty  
now appears to be that sup-  
plies of domestic waste paper  
are far short of demand.  
In theory, it is said, about  
5,500,000 tonnes of the national  
consumption of seven million  
tonnes of paper and board  
could be recovered; but at  
present only just over two mil-

## British Rail to continue services on Boxing Day

British Rail will run trains on  
Boxing Day this year but there  
will be none on Christmas Day,  
except for limited local services  
in Glasgow.  
BR said yesterday that the  
volume of receipts last Boxing  
Day had justified the reintro-  
duction after a three-year gap.  
There would be more services  
about 600 extra services will  
run during the holiday period  
but some cheap fares will be  
withdrawn, including economy  
return tickets, for which the  
last onward travel date is  
December 14, and weekend  
Sunday service.

On December 22 and 23 sched-  
uled Inter-City services will be  
augmented, and from December  
27 to 30 services generally will  
be as usual, except for some  
peak-hour reductions.  
On December 31, there will  
be some late evening cancella-  
tions and no overnight Anglo-  
Scottish services.  
On New Year's Day there will  
be a reduced weekday service in  
England and Wales but no  
trains in Scotland, apart from  
local Glasgow trains and over-  
night Anglo-Scottish services.  
Southern Region will operate a  
Sunday service.

## Probation for child minder over bath death

By Ian Bradley  
A registered child minder,  
who put a severely handicapped  
girl aged four in a scalding hot  
bath was placed on probation  
for two years by Judge Clarke,  
QC, at the Central Criminal  
Court yesterday.  
Mrs Carol Milligan, aged 31,  
registered as a child minder  
with the borough of Kensington  
and Chelsea, pleaded guilty to  
the wilful neglect of Elaine  
Secy.  
The girl, who was deaf and  
dumb and had cataracts of both  
eyes, was in Mrs Milligan's  
charge every afternoon between  
the time she finished school  
and her mother's return from  
work.  
Judge Clarke directed that a  
verdict of not guilty should be  
recorded on a charge of man-  
slaughter. He told Mrs Milligan  
that he was satisfied that  
she had not intended to harm  
the girl when she put her in  
the bath on June 16 last year.  
A third charge, alleging assault  
causing bodily harm, was  
ordered to be left on the file.  
He was taking into account  
that Mrs Milligan, of Edith  
Road, West Brompton, London,  
was of good character and had  
been of good service to other  
people's children.  
Mr Ronald Trotter, for the  
defence, said that when running  
the bath she had been too  
cautious with the cold tap  
because it required only a small  
turn to obtain a full flow.  
After the trial, Kensington  
and Chelsea social services  
department said Mrs Milligan  
had been registered in Febru-  
ary, 1975, and had voluntarily  
taken herself off the register  
in August, 1977. It added: "It  
is really up to parents to check  
on child minders."

## Listing change denied

The Government had no plans  
for changing the procedure for  
listing buildings of architectural  
or historic interest, Lady Bird,  
Under-Secretary of State at the  
Department of the Environment,  
said yesterday in an answer in  
the Lords.

## The businessman's guide to incentives available in the Areas for Expansion.

# Capital grants

Manufacturers can obtain capital grants of  
20% or 22% for new buildings, also for  
new plant and machinery in many Areas. ☐ Tick here

# Attractive finance

Interest-relief grants, or favourable-term loans.  
Fixed-interest loans from European  
Community funds. ☐ Tick here

# Rent-free factories

Up to 2 years rent-free (exceptionally, 5 years).  
Options to purchase on long lease.  
Wide range of new factories available. ☐ Tick here

# Rent-free offices

Grants for office rents for up to 7 years. Grants  
for new jobs created within 5 years.  
Grants for staff moved. ☐ Tick here

Above is a brief guide to  
the investment incentives  
available in the Areas. They  
apply to companies moving  
into, or already in, the Areas for  
Expansion.  
Greater benefits are  
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Are you planning your  
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Before you do anything it  
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Northern Region  
Tel: Newcastle  
upon Tyne 24722  
(STD code 0632)

North West  
Manchester,  
Tel: 061-236 2171  
Liverpool,  
Tel: 051-236 5756

Yorkshire &  
Humber  
Tel: Leeds 448171  
(STD code 0532)

East Midlands  
Tel: Nottingham  
56181  
(STD code 0602)

West Midlands  
Birmingham,  
Tel: 021-632 4111

South West  
Tel: Plymouth  
21891 (STD code  
0752) or  
Bristol 291071,  
(STD code 0272)

London & South  
East  
London,  
Tel: 01-603 2060  
Ex. 221

Eastern Region  
London,  
Tel: 01-603 2070  
Ex. 259/260

Northern Ireland  
Tel: Belfast 3-4885  
(STD code 0232)  
or London  
01-493 0601



To: The Industrial Expansion Team, Department of Industry,  
Millbank Tower, London SW1P 4QU.  
Please send me full details of the benefits available in the  
Areas for Expansion, as I have indicated above.

Name \_\_\_\_\_  
Position in company \_\_\_\_\_  
Company \_\_\_\_\_  
Nature of Business \_\_\_\_\_  
Address \_\_\_\_\_

## Areas for Expansion

ISSUED BY THE DEPARTMENT OF INDUSTRY in association with the Scottish Economic Planning Department and the Welsh Office.







HOME NEWS

# Whitehall completes 'starred entrants' development scheme

Heennessy  
ort on recruitment to  
ministrative grades in  
Service, delivered last  
to Sir Ian Bancroft,  
the Home Civil Ser-  
vants' Association, re-  
commends that an equal  
of highly qualified  
s recruited directly  
iversities and poly-  
technics and promising  
officials serving in  
the executive  
could be promoted  
to a new career develop-  
ment scheme.  
The young men and women  
in their early twenties who  
enter in future as HEODs will  
be drawn from candidates  
achieving an "A" mark at the  
Civil Service Selection Board.  
The board examines on the basis  
of extended interviews, aptitude  
tests and character references.  
An equal number of HEODs will  
be drawn annually from  
executive officers who have  
completed a two to three-year  
development course, selection  
for which will be based on inter-  
views and job performance.  
The report is described in  
Whitehall as a "White Paper  
with green edges". Civil Service  
unions have been told it forms  
the basis for negotiations. It will  
be published at the end of the  
month.  
The Civil Service Department  
will use the report's appearance  
as an occasion for pressing  
open government. A number of  
background papers are to be  
released at the same time.

# ish Gas wins 'Times' award for archaeology

A group of enthusiasts who did a  
full survey of the medieval Alton  
Holt Forest, near Farnham, Surrey,  
won the BBC Chronicle programme  
award for the best project by  
volunteers.  
A project that saved and pre-  
served a unique Roman town  
house, the Dover Painted House  
project, was recognized in two  
awards. It won the Legal and  
General award for the entry showing  
the greatest initiative and shared  
the Illustrated London News award  
for the best presentation to the  
public of an archaeological excavation  
or fieldwork with the National  
Development Corporation for its  
presentation of excavations at Noton  
Priory.  
A girl, aged 13, from St Ives,  
Huntingdon, Cambridge, Helen  
Farslow, won a new award  
sponsored by Young Rescue for  
work carried out by children be-  
tween the ages of nine and sixteen.  
She surveyed and studied Obadiah's  
Barrow, a Bronze Age barrow  
in the Isles of Scilly.  
The awards are to be repeated  
next year.

# Conservation aim praised

Institute of Chartered  
and The Times' were  
the chairman of Com-  
ity Council yesterday for  
excellence and quality  
life through their joint  
scheme for industrial con-  
servation.  
Mr Naylor, the chairman,  
dug at a ceremony in

# sters to look re or museums

Reporters  
are to study a plan  
by a working party of  
dine Commission on  
and Galleries which will  
be financial support for  
non-national museums.  
mission set up the party  
proposals made by the  
ministry five years ago  
reached resources were  
led to improve museum  
ort was shelved, but Sir  
rew, chairman of the  
commission, hopes that  
ment will act urgently  
tent the new recom-  
Hitherto only  
museums have benefited  
al funds, but the new  
ould allow up to 2  
museums to gain by  
o the Government for  
led that half the money  
in the local authority.  
eking party says the  
ould readily build up  
£3m a year. In addition  
for extra funds for  
collections, for housing  
and for collections not  
n other categories.

# eks Euro-seat

In Philipps, Labour MP  
sy, West, is to resign  
at general election to  
the European Parlia-  
be Midlands West con-  
his majority at 8,525  
his election was 8,525

# lywood provides top es for paintings

dine Norman  
of nineteenth-century  
at Sotheby's Parkes Ber-  
les on Monday repeated  
tend in prices seen in  
10 days ago. The total  
sale exceeded estimates  
or over. Most of the  
went to buyers from  
countries of origin.  
ood personalities paid  
rices for American pic-  
dramatic Thomas Moran  
Chiffs, Green River,  
of 1916, made  
(estimate \$20,000 to  
or £25,000). The Ep-  
two Red Indian figures  
by B. Martin Jennings,  
0,000 (estimate \$18,000  
or £20,000). The same  
s paid (estimate \$3,000  
or £4,000) for a moody landscape  
h Wenzel, the German  
Twilight on the Marsh",  
a included a small man  
any section, a Paul Klee  
as "Tessiner, Brin-  
mit dem Kreuz", dated  
siding \$37,500 (estimate  
to \$15,000) and a Mac-  
a oil of 1921, "The  
(Symphony)", \$35,000  
to \$20,000).  
totalled £470,150, with  
it unsold.  
s concluded on Monday  
of the contents of the  
Cluistant-Bandini's do-  
which realized \$480,558.

WEST EUROPE

# Dutch leader resigns all political posts over his SS connexion

From Robert Schull  
The Hague, Nov 7

The man who held the po-  
tical balance of power in The  
Netherlands today resigned all  
his political posts because of  
his wartime past.  
Mr Willem Aantjes, who was  
the parliamentary leader of the  
Christian Democrats, the  
senior partners in the coalition  
with the right-wing Liberals,  
told a press conference here  
that his resignation was effective  
immediately and that he  
would undertake steps to clear  
his name.



Mr Willem Aantjes: Sadness  
as he retires from political  
life.

He admitted that he had  
used the Nazi SS as a vehicle  
to leave Germany in the  
autumn of 1944. He had been  
working there since the pre-  
vious year. He emphatically  
denied having actively served  
in the SS. He had applied to  
join the so-called Germanic SS  
in order to get out of Ger-  
many, he said.  
Once over the border, Mr  
Aantjes intended to escape and  
go into hiding. He said he had  
resisted for three weeks  
attempts by the SS to press  
him into active service. "You  
can imagine what pressure  
means when it is applied by  
the SS," he said.  
Among other things he had  
been awoken at 4.30 am one  
day, and told he had half an  
hour to prepare to meet his  
maker. In the end, however, he  
was sent to the punishment  
camp Port Natal in Assen, in  
the north of The Netherlands.  
Mr Aantjes was surprised by  
allegations that he had not  
been in Port Natal as a pris-  
oner. "Many people knew me  
there and could have come for-  
ward at any time after the war

Mr Aantjes wondered why  
the revelations about his war-  
time SS connexion had come at  
this particular time.  
In his role as parliamentary  
leader of the Christian Democ-  
rats he was often at logger-  
heads with Mr Adriaan van  
Ag, the Christian Democratic  
Prime Minister, and was one  
of the seven "dissident"  
Christian Democratic MPs who  
refused to underwrite the pact  
with the Liberals because he  
favoured a new coalition with  
the Socialists.  
Mr Aantjes said that he  
knew one of the two people  
who at the end of last month  
informed the official Dutch In-  
stitute for War Documentation  
of his SS connexion. They  
exchanged correspondence at a  
time when Mr Aantjes was  
considered for a Cabinet post.  
He was not given the post  
because of what was then  
known about his wartime past.  
Mr Aantjes's version of his  
SS connexion differs on two  
points from that published by  
the Institute for War Docu-  
mentation. According to the in-  
stitute, Mr Aantjes was "mobil-  
ized" into the Landstur-  
m, the Dutch division  
of the Waffen SS, which would  
have meant that he had gone  
into foreign military service  
and lost his Dutch citizenship.  
But Mr Aantjes insisted  
today that he had applied to  
join the Germanic SS, a para-  
military wing of the Dutch  
Faz Party, which would not  
entail the automatic loss of his  
citizenship.  
The institute's report also  
suggests "that there is no reason  
to assume that Mr Aantjes  
was in Port Natal as a pris-  
oner".

# EEC shelve plans for surplus milk penalty

From Hugh Claton  
Agricultural Correspondent-  
Bonn, Nov 7

The European Commission's  
plan to penalize farmers for  
producing too much milk will  
be shelved this year, Herr  
Josef Ertl, West German  
Minister of Agriculture and  
Food, said today.  
"There is simply no time  
left," Herr Ertl said. The com-  
munity Council of Farm Minis-  
ters had to debate the prob-  
lems of Mediterranean agricul-  
ture instead. "Without a so-  
lution to those, there will be  
price negotiations at all next  
year," he added.  
The Commission wants to  
stop the open-ended commit-  
ment to buy "mountains" of  
dairy produce that consumers  
do not want to buy.  
Herr Ertl said that he re-  
cognized the need to reform the  
milk rules of the Common  
Agricultural Policy and sug-  
gested a new penalty for  
farmers who produce milk for  
butter. He would make them  
take back skim milk powder, a  
byproduct of butter produc-  
tion.  
They would be expected to  
use that in cattle feed instead  
of cheap soya meal from the  
United States, where markets  
are closed against EEC dairy  
produce. Farmers who refused  
to accept the powder would  
have to pay a milk tax.  
Skim milk powder was the  
key to the Community's in-  
tractable dairy surplus, he said.  
He rejected the view that sales  
of New Zealand butter to  
Britain were to blame.

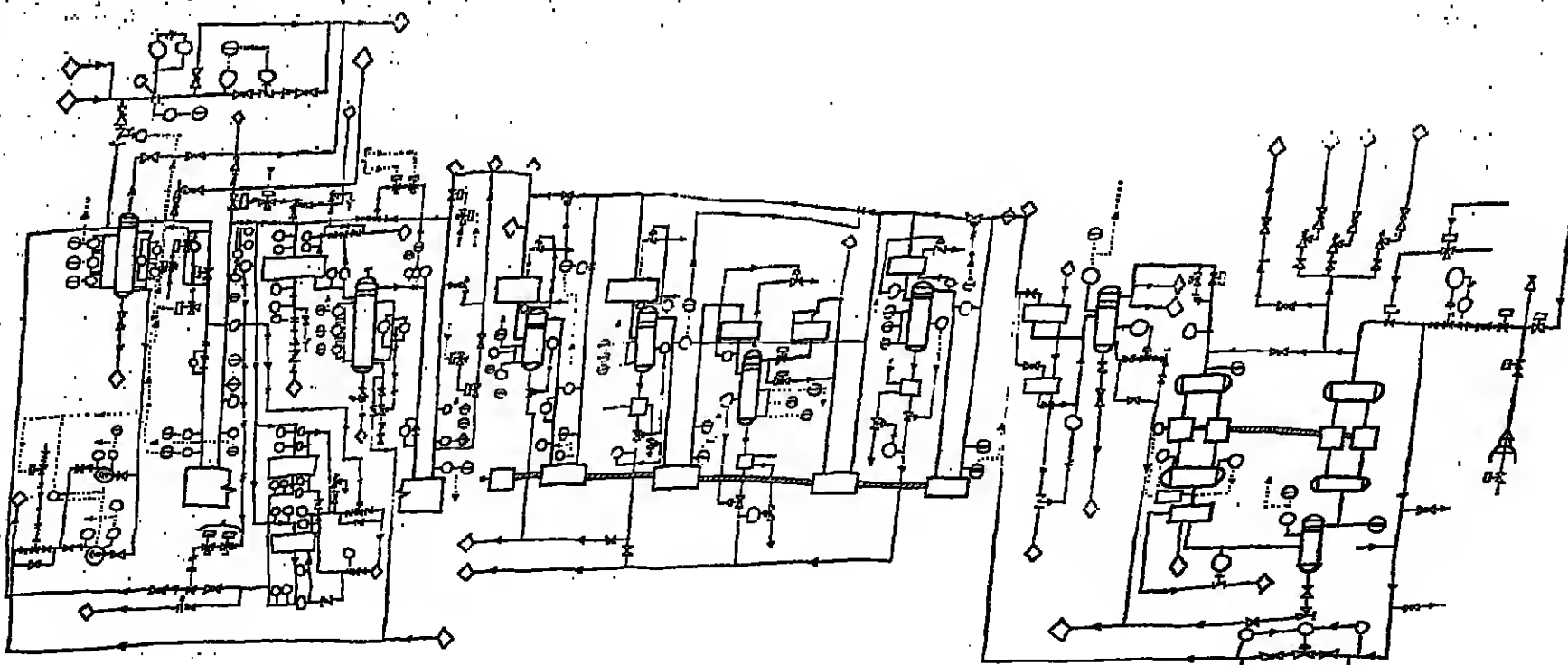
# Police wives in protest at Basque funeral

From Harry Debelius  
Madrid, Nov 7

Wives of Civil Guard police-  
men screamed insults at gov-  
ernment representatives after  
the funeral service in the Bas-  
que town of Tolosa for the  
latest victim of separatist ter-  
rorists belonging to the ETA  
(Basque homeland and liberty)  
movement.  
Members of the Civil Guard  
remained silent, although the  
eyes of some were moist at the  
requiem Mass yesterday for  
their fallen companion. But  
their womenfolk marched  
out of the church and  
through the streets, calling  
members of the Government  
traitors and shouting: "We  
don't want medals, we want  
our husbands."  
The day before, Señor  
Rodolfo Martio Villa, the In-  
terior Minister, visited the  
Basauri police barracks in Bil-  
bao, where police mutilated last  
month over other terrorist  
murders of their members.  
"The Basauri barracks is  
totally different now," he said,  
adding that measures to be  
taken against the ringleaders  
of the revolt would be  
announced shortly. He also  
said that 190 of the 400  
members of the security police  
(Policia Armada), who were  
transferred from the Basque  
country after that incident  
had asked to be sent back.  
In Madrid, a delegation  
from the neo-Francoist New  
Force Party handed in a letter  
at the Interior Ministry yester-  
day calling for the resignation  
of Señor Martín Villa. The  
letter was accompanied by 155  
memorial cards on which were  
written the names of terror-  
ist victims.

On Sunday, Señor Blas  
Pinar, leader of the New Force  
Party, demanded the dismissal  
of Lieutenant-General Manuel  
Gutiérrez Mellado, the Deputy  
Prime Minister with respon-  
sibility for Defence. "I call on  
the King to sack him," he said  
in a speech in Saragossa. "If  
he does not, he will leave us  
without any defence and with-  
out a government."  
He urged his followers to  
vote against the proposed con-  
stitution in the referendum on  
December 6.  
Opposition to the constitu-  
tion was evident today from  
the far left as well as the ultra-  
right. An assortment of posters  
appeared on walls along main  
streets and in the Madrid  
underground urging abstention  
or a negative vote.  
The posters bore the initials  
of at least two extreme left-  
groups, the Communist Move-  
ment and the Communist Left-  
ist Organization. Other anti-con-  
stitution posters were put up by  
the neo-fascist Revolutionary  
Falange Syndicate.  
In another development, a  
far-right political faction led  
by Señor Gonzalo Fernández  
de la Maza, Minister of Public  
Works under the late General  
Franco, split yesterday from  
the conservative Popular  
Alliance, which is led by Señor  
Manuel Fraga Iribarne, a  
former Franco minister and  
once Spanish Ambassador to  
London.  
The split reflected discon-  
tent over the constitution. Dur-  
ing the final voting in Parlia-  
ment a week ago, Señor Fraga  
Iribarne voted in favour of the  
text and Señor Fernández de  
la Maza against it.

# Our £18 million doodle.



We had a first-class dilemma on our hands.  
Our Beryl field, 95 miles off Shetland,  
contains 1,100 cubic feet of gas dissolved  
in each barrel of oil brought up from the  
reservoir rocks. That's three times more  
than you'd find in many North Sea fields.  
We knew we could use some of the gas as  
fuel to run the production platform.  
But what to do with the rest? Even the  
large quantity of Beryl gas wasn't enough  
to justify a special pipeline to shore.  
And neither Mobil nor the government  
wanted to burn any more gas than  
necessary through flaring it at the platform.  
So we started to doodle.  
Our solution — a flow-chart like the  
one doodled above — cost us more than  
£18 million by the time we had transformed  
it into pumps, compressors and pipes. We  
simply send the gas back where it came  
from — injecting it into the reservoir

beneath the seabed. In this process the  
injected gas helps maintain pressure in the  
reservoir, forcing more oil to the surface.  
Meanwhile, the gas itself is saved for later  
production. The technique is frequently  
used elsewhere in the world, but no one  
had yet attempted it in the difficult waters  
of the North Sea.  
Our engineering approach — really a  
refinery in miniature — was to take the gas  
as it emerges from the well at a pressure of  
160 pounds per square inch, and compress  
it to 6,000 pounds per square inch —  
enough to drive it down special wells and  
force it into the porous rock below. It  
required a series of compressors weighing  
a total of 2,000 tons. With associated  
equipment, they take up a quarter of the  
deck space on our Beryl A producing  
platform — room enough for 100 double-  
decker buses.

Mobil thus has become the first  
company to achieve successful gas  
injection in the U.K. North Sea. There are  
still teething troubles to be sorted out in  
this complex and demanding operation and  
it will take some time before it's working  
smoothly. Nevertheless, we have already  
injected over 12 thousand million cubic feet  
of gas into the Beryl reservoir.  
And when the job of enhancing Beryl's  
oil recovery is complete, the gas will still  
be there, stored beneath the sea bed — an  
energy deposit account which will one day  
be drawn upon to meet Britain's needs for  
fuel, and raw material for the chemical  
industry.

Fourth in a series on the challenges of North Sea Oil.

Mobil



## WEST EUROPE

## Socialist leaders hear plea to turn EEC into European union

From Charles Hargrove  
Lille, Nov 7

Today and tomorrow this great industrial city of northern France will be the capital of Socialist Europe. If the French Socialist Party choose to launch its campaign for the European elections, this is because geography, history, and industry have given life here a European stamp, and because the Nord region, of which it is the capital, is with Marseilles the biggest bastion of French socialism.

In the rather incongruous, over-ornate setting of white, gold and red plush of the Municipal Theatre, fraternal delegates assembled from eight EEC countries, and from the three candidate countries of Southern Europe. They included socialist leaders, such as Herr Willy Brandt, Dr Mario Soares from Portugal, Mr Joop den Uyl, the former Dutch Prime Minister, Mr Coolidge, the chairman of the Belgian Socialist Party, and Melina Mercouri, film actress and singer and also Socialist Deputy for Athens.

The mayors of many large European cities were also present, including those of Lisbon, Athens, Saarbrücken, Pavia, Duisburg—in fact, a Socialist Almanach de Gotha. But there were some notable absences. Conspicuous among them was the British Labour Party leadership, which sent the mayor of Camden and a message of greeting due to arrive tomorrow.

Pressure of parliamentary business was pleaded for this less than symbolic presence; but it was also generally ascribed by the Labour Party to its lack of European enthusiasm and conviction. In his inaugural address, M. Pierre Mauroy, Mayor and Deputy of Lille and number two in the party, declared with conviction: "Europe, which sometimes seems to be monopolized by lawyers, ministers and merchants must be entrusted to the Europeans. In short, Europe exists, but it must be changed. And to change it we must simply enforce the Rome Treaty, and nothing but the Rome Treaty. In practice, since 1958, the logic of liberalism has been given free rein—that is what the Common Market amounts to. The logic of the European union, that of the European Community—has been ignored."

Europe existed, he went on, but today it was too closely identified with capitalism, and espoused its crises, powerlessness, and indifference. The only union could not rest solely on institutions. It required popular endorsement. To achieve this, "Europe must be the instrument, and framework for greater social justice for the workers of Europe. Intellectuals such as Heinrich Böll, the German writer, Giorgio Strehler, the director of the Teatro Piccolo di Milano, the painter Miro, and Françoise Sagan, the French author, have all been invited to come here for the occasion. The Lille city council has also invited the European Union of the German-American domination of Europe," one of their

deputies for the Nord declared yesterday.

The object of the congress in the eyes of the French Socialist Party is twofold. In the first place, it is meant to draw attention to the solidarity of Socialist Europe, and to emphasize the French party's desire to co-operate closely with colleagues in other EEC countries, in spite of doctrinal differences and divergent attitudes towards European unity.

The European Socialists and Social Democrats have no common programme, but only a common declaration adopted last June which pledges over these differences and insists upon the need to create a Europe of the workers in the face of the challenge of the superpowers.

In the second place French socialism is intent on asserting the strength and dynamism for domestic political consumption. Apart from differences with other Socialist parties, it has to contend with differences within its own ranks on European policy, as well as on much else, its left-wing ginger group, for instance, has refused to endorse the party's "European manifesto" on the ground that it carries cooperation with Social Democratic movements too far, and seems to be turning away from the Union of the Left and succumbing to "third force" temptations.

The fact remains that for the French Socialists, the European elections are both a problem and an opportunity. A problem, because they have to get their own fiddle in tune; and an opportunity because they are fully aware of the domestic political advantage which they in particular—as distinct from the Communists and the Gaullists, who have adopted anti-European positions—can derive from these elections.

The domestic political aspect explains why all political parties are girding themselves for battle months ahead of the election date. For the Socialists, Europe will be a major political stalking horse. The European elections, through the workings of proportional representation, will give them a chance to assert their independent identity vis-à-vis the other parties, and of attracting to their side an even larger proportion of middle-of-the-road voters than they boast now—provided, of course, that French public opinion can be sufficiently mobilized next June to avoid massive abstentions. If their gamble works, they will be able to consolidate their claim to be not only the biggest opposition party, but the biggest in the country.

This explains why the French Socialist Party at Lille has drawn out all the stops, and put out all the flags—the city is decked with its own emblems and those of members countries. Prominent European intellectuals such as Heinrich Böll, the German writer, Giorgio Strehler, the director of the Teatro Piccolo di Milano, the painter Miro, and Françoise Sagan, the French author, have all been invited to come here for the occasion. The Lille city council has also invited the European Union of the German-American domination of Europe," one of their

## France increases defence budget by 14 per cent

From Our Own Correspondent  
Paris, Nov 7

The defence budget which was taken up today by the National Assembly totals 92,240m francs (£10,351m) and shows an increase of 14 per cent over the previous year, compared with a rise of just over 10 per cent in the budgets of other government departments.

M. Yvon Bourges, the Defence Minister, said the budget made it possible to pursue long-term improvements of the French defence capabilities in both conventional and nuclear weapons. It conformed to the objectives of the five-year military programme which came into force last year to assure France's independence.

The defence budget's share of the gross domestic product has risen from 3.12 per cent in 1973 to 3.26 per cent next year. It confirms the change in emphasis from running costs and personnel to investments, armaments and equipment.

At a press conference a few weeks ago, M. Bourges affirmed the "extraordinary effort" made in the new budget in favour of research and development, particularly in detection and observation satellites, automation of communications systems, anti-missile defence and computers.

One of the strong points of the budget is its emphasis on nuclear weapons. The appropriations for the development of the strategic nuclear deterrent are increased by 30 per cent on average. As far tactical nuclear weapons, 273m francs will be devoted to the development of a medium-range missile with which the Mirage 2000 aircraft will be equipped in 1982. For the development of the Mirage 2000

itself, nearly 900m francs are earmarked.

The most spectacular innovation in the 1979 budget is the decision to build a sixth nuclear submarine, the inflexible, which will be equipped with new M4 missiles and multiple warheads. Postponement of this programme three years ago on the ground of cost was taken severely amiss by the Gaullists who considered it a serious departure from the Gaullist principle of an independent and effective nuclear deterrent.

The minister pointed out that by delaying the programme, it would be possible to ensure that the sixth nuclear submarine, which would become operational in 1985, had greatly improved capabilities and armaments than the others in the fleet. The revenue would be spared of a costly refitting with the M4 missile only a couple of years after it was to have been originally launched.

In general, the Navy, whose units were ageing rapidly, is given preferential treatment. Next year the ship-building contracts for the Navy are to be doubled.

A 15 per cent increase in the appropriations for fuel for the armed forces will enable ships to spend 94 days at sea instead of 92 this year, fighter aircraft pilots to fly 15 hours a month, as this year, but there will be more of them; and the Army to ease out of barracks for 100 days a year, including 49 with heavy equipment and armour.

The Gaullists appear to be satisfied with this new budget, and its emphasis on the independence of the nuclear deterrent, as one of the Gaullist rapporteurs, M. Jacques Cressard, emphasized.

## OVERSEAS

## Vietnamese attend Red Square ceremony

From Michael Binyon  
Moscow, Nov 7

From the stand of the Lenin Mausoleum in Red Square today, Soviet leadership today denounced China, accusing it of teaming up with the most reactionary forces of imperialism and damaging the world revolutionary movement.

In the traditional speech by the Soviet Defence Minister at the opening of the parade to mark the anniversary of the 1917 October Revolution, Marshal Dmitry Ustinov said that the Peking leadership posed "a serious danger" to peace and socialism in the world.

However, he added, the Soviet Union with its communist allies "gives a resolute rebuff to the aggressive intrigues of imperialism and its lackeys, supports all progressive forces, presses tirelessly for the deepening of détente and the widening of peaceful, mutually advantageous co-operation among states."

To underline the Soviet commitment to resist Chinese "hegemonism" in Asia, the Soviet leadership, in an almost unprecedented move, invited the leaders of Vietnam to join them on the mausoleum for the annual march-past, and parade, Vietnam last week concluded a treaty of friendship with the Soviet Union which, clearly directed against China, provides for mutual help in the case of an attack on either country.

While emphasizing the combat readiness of the Soviet armed forces, Marshal Ustinov



Soviet Marines on parade in Red Square, Moscow, yesterday.

said the international situation remained "complex".

He accused "aggressive imperialism" circles of trying to bring the world back to the cold war, encouraging the arms race, trying to achieve military advantage over communist countries and interfering in their internal affairs.

Standing beside him on the mausoleum was President Brezhnev, who has taken the salute on behalf of the Communist Party for the past 15 years. As in the May Day parade this year, his personality and quotations dominated the 61st anniversary of the revolution. But he himself, well wrapped up against the chill of

the bright November morning, looked rather frail and tired. Mr Le Duan, the Vietnamese Communist Party leader, stood beside him, his face almost hidden by his coat collar turned up against the cold. The rest of the Soviet Politburo and the military leadership stood on either side to watch the traditional two-hour parade of military hardware, detachments of soldiers, sailors and airmen and representatives from Moscow factories and enterprises.

The parade of military vehicles was comparatively subdued, lasting only about eight minutes. It included rocket and missile launchers, armoured personnel carriers, self-propelled howitzers and Jeeps, but none of the latest 172 tanks or 152 self-propelled guns as there had been last year. The parade was probably shortened to save both the cobbles of Red Square and the elderly leadership taking the salute.

The rest was a colourful affair, enhanced by the bright winter sun. Amid a sea of red flags young athletes in coloured tracksuits performed flag manoeuvres, spelling out the word "peace", the initials of the Communist Party of the Soviet Union, and depicting the Soviet emblem. Floats from Moscow fac-

tories rolled past a giant portrait of Lenin covering one section of GUM, the department store that forms one side of Red Square. Cheerleaders called out slogans in praise of the Communist Party, the Soviet Union's foreign policy and the worldwide proletarian struggle.

Only selected spectators were allowed into Red Square. Similar parades were held in the capitals of the other 14 republics and in Leningrad. But for the bulk of the Soviet population, with four days' holiday, today was the last occasion to eat, drink and celebrate before the serious onset of winter.

## Brezhnev memoirs challenge predecessor's wisdom and leadership

## Nikita Khrushchev remains an 'unperson'

From Our Own Correspondent  
Moscow, Nov 7

Nikita Khrushchev refused to listen to any one's advice but his own, and he also knew how to develop the Virgin Lands in Soviet Kazakhstan, according to Mr Leonid Brezhnev, who replaced him as party secretary after his removal from power in 1964.

In the latest volume of his memoirs, published today by the literary journal Novy Mir, President Brezhnev pointedly refuses to give Khrushchev credit for the one decision generally accepted to have been his most enduring achievement—the opening up of the steppes for agriculture.

Describing his time in Kazakhstan from 1954 to 1955, where he is generally considered to have worked to implement the 1953 Virgin Lands resolution, Mr Brezhnev says: "Sometimes I am asked: Who was the author of the idea to develop the Virgin Lands?"

He goes on: "I believe that the very question is incorrect because in it there hides an attempt to ascribe an outstanding achievement of our party

and people to the 'vision' and will of a single man."

Indeed, throughout the 55 pages of his account, Mr Brezhnev consistently plays down the role of his predecessor as Soviet leader, while pointing out the significance of his own work.

After his removal from power Khrushchev was barely even mentioned by the Soviet press, and to this day is still virtually an "unperson" as far as Soviet commentators and historians are concerned. Mr Brezhnev refers to him simply as N. S. Khrushchev without mentioning his position or importance.

He portrays Khrushchev as a man who stubbornly refused to take the advice of experts. Describing a local party meeting they both attended, Mr Brezhnev says Khrushchev insisted on building railways instead of gravel elevators at the start of the Virgin Lands campaign.

"No arguments against this idea were taken into consideration," he states, and so two railway lines were built. "That was a mistake, as in fact neither played the role expected in the

shipment of corn and soon they were dismantled."

He goes on: "I quote these facts not to show that a party and state leader must simultaneously be a railway specialist, an economist, and engineer and so on. No, but he must understand the laws of general development and be able to lean on concrete scientific and practical knowledge."

"And certainly he cannot consider himself the only and undisputed authority on all spheres of human activity," Mr Brezhnev himself has been characterized as the country's supreme leader from whom flows all political, military, economic and ideological wisdom.

But in his view a modern leader "must listen to specialists and scientists and not only those of one trend or school, and must be able to consult the people in order to avoid premature, hasty and self-willed decisions"—faults for which Khrushchev has frequently been reproached.

The memoirs, the third volume in a series which have

so far covered the Soviet leader's war service and efforts to rebuild industry after 1945, are written in a lively and readable style, scarcely recognizable as being by the same author as Mr Brezhnev's political speeches and other official announcements.

They show Mr Brezhnev as being a man not afraid to stand up for himself in the face of Khrushchev's bluster and criticism. He recalls, for example, an incident when Khrushchev was about to blame him for the poor harvest in the Virgin Lands in 1955.

"In that disastrous year it was sometimes difficult for those of us who believed in socialist agriculture to keep our heads above water," he says. "When at one big meeting in the presence of N. S. Khrushchev I said the Virgin Lands would still prove themselves, he interrupted quite sharply with the remark: 'We can't take cakes with your promises!'"

"But," Mr Brezhnev goes on, "I was quite justified in reporting to him: 'All the same, we still have faith. Soon, very soon, there will be a big harvest in the Virgin Lands.'"

## Early vote in US reported to be heavy

From Patrick Brogan  
Washington, Nov 7

America went to it today to elect the 435th Congress and a new set of officials. All 435 the House of Representatives are up for election on 35 of the Senate's 100.

At the moment, they Democrats and 38 Rep in the Senate and 28 crats and 146 Repub in the House where there four vacancies. The 50 governors are elected. At present 37 Democratic, 12 Republican, plus an ind in Maine who is not reelected.

The turnout appears heavy this morning and across the country that the recent downturn in voting had been which would help crats. This is a phenomenon usually these optimistic voters are disappointed even.

The first results come in from eastern evening and most results are known by early noon the last elections, in 1976 was also the year of

dental elections, some were not finally called days or even weeks before were so close and request and acrimonious. The close race in the last mid-term elections in North Dakota and elderly incumbent senator Milton Young lost to a Democrat out of nearly 230,000.

Senator Henry Bellmon had a 3,835 vote of 778,000 both Republicans. The closest race in the last election in South Carolina was in New Hampshire. On the first count the can won by 355 votes first recount the Democrat declared the victor.

Electoral College mission declared that can have won by the Senate, which is arbiter in senatorial tie started counting. This proved an impossible task. The election was called, in September. That time, the Democrat, Mr. J. Danforth, easily.

## Injured leopard kills farmer

Windhoek, Nov 7—

Deloch, a South-West African, was killed himself by a leopard which had been near his farm. The leopard had been hiding in the bushes near his farm. The leopard had been near his farm. The leopard had been near his farm.

When the leopard him, he shot it in the throat. The leopard had been near his farm. The leopard had been near his farm. The leopard had been near his farm.

## Mrs Gandhi takes early lead in by-election

From Richard Wigg  
Delhi, Nov 7

Mrs Indira Gandhi, the former Indian Prime Minister, had a lead of just under 25,000 votes over the Janata candidate when more than one third of the poll in the Chikmagalur constituency had been counted tonight.

Counting of the 453,000 votes in the south Indian rural constituency, where there was a record 76 per cent turnout on Sunday despite poor weather, had started three hours late. Central reserve and local police guarded the local polytechnic used for the counting.

The prize-winning election also included a poem dedicated to Pablo Neruda, the Chilean poet, in which Mr Vazanesky wishes an annulment on the Chilean junta who accused him of killing him. He compares them to a "tin-born Mafia".

A lyric poet, he has been praised by Soviet critics for seeing beauty as much in new streets in new cities as in old cathedrals in ancient towns, beauty in amateur paintings as well as old masters, and in the Bolshoi Ballet, as well as in a butterfly on a flower.

Pravda said in September that he justly incurred reproaches in the past for turning positive features of his poetry into negative ones: "Sometimes his wings failed to master the headwinds, but now his wings have grown stronger." Mr Vazanesky, who is 45, published his first collection, *Parabola*, in 1960. His poetry readings now attract large audiences. He is said to be contemplating a cycle of poems on his impressions of a recent journey to eastern Siberia.

## Military build-up close to Angola-Namibia border

Johannesburg, Nov 7—South Africa is strengthening its forces in the north of Namibia (South-West Africa) in face of a military build-up across the border in Angola, informed sources said tonight.

Other senior sources had earlier disclosed that South African intelligence reports indicated that several hundred East German troops had been encamped in southern Angola less than 50 miles from the border with Namibia. They were reported to include

return to the Lok Sabha after losing power in the general election of March, 1977, to a Janata coalition of mixed political origins.

By Mr Virendra Patel, a former Chief Minister of Karnataka, in all eight of the sub-divisions of the constituency.

Command anxiously awaited the result of the cabinet meeting called in Delhi to consider the sudden resignation of two Sikh ministers, Mr S. S. Bernala (Agriculture) and Mr D. S. Gulshahi, Minister of State for Education. Bernard Levin, page 18. Leading article, page 19.

## Mr Begin says talks with Egypt at 'delicate' stage

From John Best  
Tel Aviv, Nov 7

Mr Menachem Begin, the Israeli Prime Minister, said today that it might take two weeks or more to conclude a peace treaty with Egypt. However, he was optimistic about the prospects for an agreement and said he also looked forward to a comprehensive settlement between Israel and its Arab neighbours.

Mr Begin, who arrived here last night to begin a six-day visit, said the negotiations in Washington had reached a "very delicate" stage, but progress had been satisfactory. "We are a draft treaty, but there are still some differences," Mr Begin added. "Our purpose is to have a comprehensive peace treaty for all the Middle East."

Cairo: Mr Boutros Ghali, the Egyptian acting Foreign Minister, will return to Washington tomorrow with a new draft peace treaty, sources here said. They said several new suggestions, dealing mainly with the question of linking a peace treaty with an overall settlement of the Palestinian question, had been added to the draft. —Reuter.

Bonn: Herr Helmut Schmidt, the West German Chancellor, today urged King Hussein of Jordan to join the Israeli-Egyptian peace efforts. He made the remarks during two hours of talks here with the Jordanian leader, who is on a week-long visit to West Germany.—AP.

## Ghana head of state invokes crisis measures

From Our Correspondent  
Accra, Nov 7

Lieutenant-General Fred Akuffo, Ghana's head of state, said in a broadcast tonight that as a result of a state of strikes that have recently hit the country his Government had decided to invoke "all the measures which go with a declaration of a state of emergency with immediate effect."

The general said the plight of the workers after his Government's stringent budget was being exploited.

## Ethiopians will study Horn conference plan

Paris, Nov 7—A French proposal for a seven-nation conference on the Horn of Africa will be put to Lieutenant-General Mengistu Haile Mariam, the Ethiopian head of state, and the ruling Dergue, a visiting Ethiopian official said here today.

Colonel Berhanu Bayeh, the Dergue member responsible for external affairs, told a press conference here, that it would be impossible to hold a regional conference with Somalia taking part until it accepted Ethiopia's four conditions for talks.

He said that the conditions were: Somali abandonment of its territorial claims on Ethiopia; withdrawal of Ethiopian troops from the Ogaden region; respect for the principles of the United Nations and the Organization of African Unity, notably territorial integrity and non-interference; recognition of Ethiopia's international frontiers; and a pledge to pay war damages for the Somali-supported invasion of Ethiopia's Ogaden region. —Agence France-Press.

## Rhodesia's executive fails to agree on election delay

From Nicholas Ashford  
Salisbury, Nov 7

Rhodesia's four-man Executive Council today failed to reach agreement on a proposal to delay majority rule elections until next year after one of its members, Bishop Abel Muzorewa, leader of the United African National Council, argued strongly against any delay the council will make a decision next Tuesday.

According to sources close to today's meeting, Bishop Muzorewa was the only black leader who spoke against a delay in elections, and the accompanying postponement of independence beyond the December 31 deadline.

The bishop argued that the methods for holding a snap election could be put into effect. But Mr Smith countered that there had to be a delay for technical and security reasons. Bishop Muzorewa has been extremely anxious to avoid delay because this would further undermine his already dwindling support among his followers. Mr Smith's apparent determination to delay the elec-

## Malaysia Opposition fined under Secrets Act

From Our Correspondent  
Kuala Lumpur, Nov 7

The High Court of Peninsular Malaysia today convicted Mr Lim Kit Siang, aged 37, the federal parliamentary opposition leader and secretary-general of the Democratic Action Party, of five charges under the Official Secrets Act and fined him \$215,000 (about £33,000) or 41 months in jail.

Mr Lim, charged by the court, gave notice of appeal and bail of \$510,000 was extended. The charges pertained to the purchase of Swedish-made fast patrol boats for the Royal Malaysian Navy and Mr Lim's conviction, if upheld, could result in his losing both his parliamentary seat and the Malacca state assembly seat which he has held since the 1969 general election.

He is one of four members of Parliament and state assemblies who have been convicted of various charges in the past two years. Two of them, Mr Tan Sri Salleh and Mr Tan Sri Salleh, were convicted of sedition and both have since left the party.

## Tanzanian assemble t attack Uganda

From Our Correspondent  
Nairobi, Nov 7

Substantial numbers of Tanzanian troops—some 8,000 to 10,000—the area west of Lake Tanganyika, where they are 3,000 Ugandan troops in the Kagera river. Tanzania has a long border with Uganda, and has been accused of occupying by Ugandan military assault. According to a radio broadcast, Tanzanian troops have been ordered to attack Uganda territory, destroy the only bridge across the Kagera and occupy a strong position. It has said he has threatened to attack Tanzania if there is no withdrawal of Ugandan troops from the area.

Diplomatic efforts to resolve the dispute are being refused by foreign reporters men to travel to

## Alpha fighter grounded

Bonn, Nov 7—The West German Air Force has grounded its latest fighter plane, the twinjet Alpha, for safety reasons, a Defence Ministry spokesman announced today.

He said the pilot's ejector seat system had been ruled unsafe. The Air Force has also ordered the makers, the Dornier Company and Dornier-Breguet, to modify the canopy of the forward cockpit.—Reuter.

## Ark Royal men confined to ship

Valletta, Nov 7—Sailors on board the British aircraft carrier Ark Royal were confined to their ship today as the Maltese Government issued a one-day order preventing them from entering Valletta.

The order was issued to avert clashes between sailors and striking seafarers workers who are demanding better pay and conditions. The British community ban on Maltese imports



## RSEAS

# Charter 77 asks Dr Waldheim and Helsinki signatories to defend rights of Czechoslovaks

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arter 77 movement has  
for the first time to  
inside the country to  
fend the human rights  
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pen letter to Dr Kurt  
the United Nations  
General, and all heads  
who have signed the  
accords, the signa-  
attention to "the  
deteriorating situa-  
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er continues: "We  
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ak Socialist Republic,  
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to the Czechoslovak  
to respect its obli-  
laid down in the  
signed."

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d other forms of per-  
which Charter signa-  
others have been

of Charter documents, or for  
copying the work of an unpub-  
lished author, or for recording  
nonconformist music", the let-  
ter states.

The security services have in-  
creased their efforts to link  
Charter sympathizers with  
criminal cases. A case in point  
is that of Dr Jaroslav Sabata, a  
Charter spokesman, arrested  
while attempting to meet Polish  
dissidents on the border.

Others were arrested—among  
them Mr Jiri Lederer and Mr  
Ona Ornest—for sending  
Czechoslovak authors' mani-  
festos abroad or for possessing  
foreign literature, or for notifi-  
ing the authorities of wrongful  
treatment.

With increasing frequency,  
and without legal grounds,  
active Charter signatories are  
imprisoned for two to four days,  
for instance, during President  
Breznev's Paris visit and at

the time of planned meetings  
with Polish human rights cam-  
paigners.

Many are permanently  
shadowed, others are watched  
and their movements limited.  
In the past two years a thousand  
signatories have been ques-  
tioned, threatened and pur-  
sued under psychological pressure.

Again and again individuals  
whose homes were searched.  
Meetings between friends were  
prevented, others were not  
allowed to leave their home or  
town.

The telephones of many  
Charter signatories have been  
disconnected, their homes  
bugged, their movements filmed  
and photographed, their corre-  
spondence confiscated.

Particularly absurd is the way  
the police prevent private  
readings, discussions, and  
cultural events. Recently the  
police repeatedly stopped a  
private performance of Shakespeare's *Macbeth*, produced by  
five well-known Czechoslovak  
theatrical personalities, includ-  
ing Pavel Kohout and Pavel  
Landovsky.

Those who wanted to take  
part in the performance were  
intimidated by the police and  
refused admittance to the place  
of the performance, while others  
were followed or questioned.

"We believe it is horrifying  
when in the twentieth century  
in a cultured European  
country, Shakespearean actors  
have to creep through back-  
doors and cellars," the letter  
states.

Typewritten copies of works  
by unpublished authors are  
confiscated, and those who  
reproduce them are prosecuted.

## China asks Vietnam to return bodies

Peking, Nov. 7.—The Chinese  
Government today demanded  
that Vietnam return the bodies  
of six Chinese killed during a  
border incident on November  
1. The demand came in a  
strong protest sent by the  
Foreign Ministry to the Viet-  
namese Embassy in Peking.

The New China news agency  
published extracts from the  
protest note, which said that the  
"serious incident" had been  
"deliberately caused by the  
Vietnamese authorities at the  
Sino-Vietnamese border area"

The note said that Vietnam  
was entirely responsible for the  
incident, which observers said  
was the worst since the start  
of the Sino-Vietnamese quarrel  
over ethnic Chinese in Viet-  
nam.

The news agency noted con-  
tradictory reports from the  
Vietnamese side concerning  
the incident, particularly over  
Vietnamese victims. It quoted  
an on-the-spot report by the  
Hanoi correspondent of  
Agence France-Presse who said  
that one had been killed on  
the Vietnamese side, con-  
trary to previous official in-  
dications. He also said that  
the Chinese dead, accused in  
Hanoi of being soldiers, wore  
civilian clothes.—Agence  
France-Presse.

Our Geneva Correspondent  
writes: A much increased  
exodus of refugees, mostly eth-  
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## Argentina disappointed by Beagle Channel impasse

From Our Correspondent  
Buenos Aires, Nov. 7  
A feeling of disappointment  
prevails in Argentina capitol  
as the Beagle Channel dispute  
with Chile dissolves, if only  
temporarily, into an agreement  
to disagree.

Shortly before the end of  
the negotiations, those close to  
government circles were certain  
that Argentina's military build-  
up and a considerable amount  
of legal rights would persuade  
President Pinochet to give up  
his claims to the offshore  
waters of the islands which  
Chile was awarded.

The Chilean Government has  
communicated its wish to refer  
the matter to the International  
Court in the Hague, but that  
body is virtually committed to  
upholding the award made by  
judges whom it recommended.

The Argentine Government  
having decided against the use  
of force at this stage, insists  
on bilateral negotiations. But  
since Chile has made no con-  
cessions in 10 months, the only  
argument that the moderates  
can find is the Churchillian  
one of jaw-jaw being better  
than war-jaw.

The hardliners insist that  
the impasse proves President  
Pinochet is not receptive to  
any message unless it is car-  
ried on a warhead.

La Paz: President Juan Peres  
Aspin of Bolivia has appointed  
a military-dominated Cabinet to  
replace his mainly civilian team  
which resigned last Wednesday.

The change was made after  
General Angel Salomon, the  
commander-in-chief called for a  
majority military Cabinet in  
time for next year's centenary  
of war between Bolivia and  
Chile. The Government  
announced recently that it had  
foiled a subversive plot.

Bolivia broke diplomatic  
relations with Chile last year  
on the ground that the Sau-  
digo Government was not keep-  
ing its promise to negotiate a  
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—Reuter.

## Argentina disappointed by Beagle Channel impasse

From Our Correspondent  
Buenos Aires, Nov. 7  
A feeling of disappointment  
prevails in Argentina capitol  
as the Beagle Channel dispute  
with Chile dissolves, if only  
temporarily, into an agreement  
to disagree.

Shortly before the end of  
the negotiations, those close to  
government circles were certain  
that Argentina's military build-  
up and a considerable amount  
of legal rights would persuade  
President Pinochet to give up  
his claims to the offshore  
waters of the islands which  
Chile was awarded.

The Chilean Government has  
communicated its wish to refer  
the matter to the International  
Court in the Hague, but that  
body is virtually committed to  
upholding the award made by  
judges whom it recommended.

The Argentine Government  
having decided against the use  
of force at this stage, insists  
on bilateral negotiations. But  
since Chile has made no con-  
cessions in 10 months, the only  
argument that the moderates  
can find is the Churchillian  
one of jaw-jaw being better  
than war-jaw.

The hardliners insist that  
the impasse proves President  
Pinochet is not receptive to  
any message unless it is car-  
ried on a warhead.

La Paz: President Juan Peres  
Aspin of Bolivia has appointed  
a military-dominated Cabinet to  
replace his mainly civilian team  
which resigned last Wednesday.

The change was made after  
General Angel Salomon, the  
commander-in-chief called for a  
majority military Cabinet in  
time for next year's centenary  
of war between Bolivia and  
Chile. The Government  
announced recently that it had  
foiled a subversive plot.

Bolivia broke diplomatic  
relations with Chile last year  
on the ground that the Sau-  
digo Government was not keep-  
ing its promise to negotiate a  
Bolivian outlet to the sea.  
—Reuter.

## Woman kept in cellar for 29 years

From Mario Modiano  
Athens, Nov. 7  
The brother and two older  
sisters of a woman found in a  
half-savage state after being  
locked up for 29 years in a  
filthy village basement were  
charged today with illegal  
detention and causing grievous  
bodily harm.

The woman kept prisoner is  
Miss Eleni Karyotou. She is  
now 47 and was apparently  
shut away at the age of 18  
because her parents objected  
to her love affair with a  
fellow-villager threatened to  
break the peasant tradition that  
elder sisters should marry first.

The police, after a tip-off,  
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# THE TIMES GUEST COOK

Until fairly recently, an article on American cookery for a British readership would have seemed a perverse undertaking. It was a cardinal tenet of gastronomic misanthropy that American cooks went in for eccentric combinations of flavours and reduced textures to the requirements of a single-handed fork. In the same way, Americans were convinced that British food consisted of inadequate portions of tough meat and overcooked vegetables, all under-seasoned.

## Divided by a common taste? Is there as much difference between American and British cooking as there is between their languages?

Oiga Leapman, wife of our New York correspondent, has experienced both and is this month's guest cook.

## Hamburger and meat loaf

Hamburger is a generic term for ground beef, and good quality, lean, finely ground beef is what you need to make good hamburgers. You cannot make them properly with your local butcher's standard minced meat. It contains too much fat which, together with the coarser texture, makes the patties disintegrate during cooking. American supermarkets usually offer several grades of ground beef; the most frequently used cut for hamburgers is round (topside).

Really good hamburgers used to be as rare in Britain as good marmalade is in America. But first Marks & Spencer's, then Sainsbury's, introduced a suitably finely ground beef into their regular ranges, and that is what you should buy.

Then there is the question of onions and breadcrumbs, not to mention left-over potato. Some folk memory of rissoles, or an outburst of the national urge to slice and spread things thinly, drives British cooks to dilute the meat. For hamburgers you should add nothing to the meat except seasonings. They cook briefly, in high heat, and even a little finely chopped onion will burn and stick.

Meat loaf, on the other hand, is made for additions. Every American cook I know has favourite extra ingredients. There is no problem of undercooking or disintegration here: the meat loaf is held together by breadcrumbs and egg, and is cooked for at least an hour.

Meat counters in the United States have a bewildering choice of steaks, but there is one cut which I find particularly useful for family meals. It is called London broil, and it is a one-inch thick slice of top-side, weighing about a pound. It is grilled for 15-20 minutes, and served in thin slices cut on the slant across the grain.

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## Salads and salad dressings

Lettuce has no honour in its own country. In London I have seen local markets for a change—any of the standard hothouse varieties, called Boston lettuce in the United States. A Webbs' was a great treat. The standard American salad is called iceberg lettuce, and is a large, crisp, clean, heavy leaf on the scale of salad greens. Watercress, Belgian endive, escarole, Boston lettuce, romaine, and others are simply more sophisticated and have more class.

But what of the dressing? During the Second World War

My mother used to make a salad dressing of vinegar, sugar, mustard and evaporated milk. After all these years she will, I hope, forgive me for saying that it was truly dreadful, deserving of that frightful look which the French bestow on swedes just before they say: "Nous avons mangé ça pendant la guerre." It probably explains my own taste for vinaigrette, but it does suggest, along with the bottled salad dressings in British shops, a national liking for a creamy sauce, less stiff than mayonnaise, richer and smoother than vinaigrette.

Such sauces abound in the United States, and indeed it is difficult to get either of the classic sauces in an American restaurant. Beware of the offer of "French" dressing. It will be red and viscous. If you want vinaigrette you should take "Italian" (with garlic and herbs), or ask specifically for oil and vinegar.

Here are two basic salad dressings which lend themselves to many variations. The first one makes a good dressing for coleslaw as well as leaf salads.

**American salad cream**  
1 level teaspoon dry mustard.  
1 dessertspoon lemon juice.  
Salt and freshly ground white pepper.  
1 small egg yolk.  
3 tablespoons oil.  
3 tablespoons double cream.  
Mix together the first four ingredients, then mix in the egg yolk. Beat with a wire whisk or hand mixer, and gradually pour in the oil, beating all the time. It will thicken at this stage. Beat in the double cream, and check the seasoning, adding more lemon juice, salt or pepper if needed.

**Blue cheese dressing**  
Mash 2oz Danish blue cheese to a smooth paste with 1 tablespoon of the dressing and a dash of Lea & Perrins Worcestershire sauce. Stir this into the rest of the dressing. Or simply crumble the cheese into the dressing and stir well to combine.

**Herb dressing**  
Add 1 tablespoon chopped parsley and 1 tablespoon chopped chives (or use 2 or 3 finely chopped spring onions instead of the chives).

**Fruit cobbler**  
A cobbler is a hot fruit pudding—in effect, a soft scones topped with fruit. It

can be used with hard fruits such as apples, but is at its best with soft fruits. The most traditional connexion is perhaps with blueberries (bilberries), still sold fresh in season in the United States, but it is very good with blackberries or raspberries too.

**Blackberry cobbler**  
Serves 4  
1lb blackberries.  
4oz sugar.  
2 level tablespoons cornflour.  
6oz plain flour.  
Pinch salt.  
1 level teaspoons baking powder.  
2 level tablespoons sugar.  
3oz butter.  
1 pint milk.  
Rinse the blackberries and pick them over carefully. Mix the butter in a small saucepan, stir in the milk and pour into the flour. Stir until well blended and spoon onto the fruit, smoothing it to make an even covering.  
Bake in a preheated oven (350°F or gas 4) for 25-30 minutes, with the topping should be lightly browned and crusty. Serve hot, with cream.

**Brownies and cookies**  
If American children had their separate Declaration of Independence, access to brownies would be high on the list of unalienable rights. They are rich, sweet and chewy squares of chocolate cake, sometimes served for dessert with vanilla icecream.

Traditional brownie recipes call for a very strong, unsweetened baking chocolate not widely available in Britain, but they can also be made with cocoa powder or plain dessert chocolate. The novice brownie cook should bear two points in mind. Do not worry if the batter, itself quite thick, is very thinly spread in the tin when you put it in the oven. It will rise a little, and brownies are not thick. And beware of overcooking them. The texture should be more like fudge than sponge cake.

Peanut butter cookies offer a gentle introduction to a strong flavour which has enthralled generations of American children. But generally failed to captivate their British counterparts. Americans attribute this to the fact that peanut butter sold in Britain is often stale—presumably because turnover is low. But those elderly jars with a thick layer of oil on top have happily disappeared, and what you can now buy in British shops will do well enough for these cookies.

**Chocolate fudge brownies**  
Makes 16 squares  
6oz plain dessert chocolate.  
2oz butter.  
1 egg.  
Cream together the butter and peanut butter, which should both be at room temperature, then add the sugar and beat well. Add the egg and beat in. Sift the flour and cocoa into the mixture and stir until well incorporated.

Put teaspoonfuls of this mixture on ungreased baking trays. Keep them fairly small and a neat round shape, and space them on to allow them to spread during cooking. With a floured fork press the top of each cookie so that it bears a clear imprint of the tines.

Bake in a preheated oven (350°F or gas 4) for 10-12 minutes. The cookies should be lightly coloured and just beginning to firm up. Avoid overcooking, as this mixture scorches easily. Allow to cool for a few moments, then transfer to a wire rack, and store in airtight tins.

**Grey Poupon**  
Genuine French mustard  
From Dijon  
Available at branches of—  
E.H. Booth, Cullen, Sainsbury, Selfridge, Waitrose.  
Sole Importers  
Kiri Mischke Ltd.

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1 egg.  
Cream together the butter and peanut butter, which should both be at room temperature, then add the sugar and beat well. Add the egg and beat in. Sift the flour and cocoa into the mixture and stir until well incorporated.

Put teaspoonfuls of this mixture on ungreased baking trays. Keep them fairly small and a neat round shape, and space them on to allow them to spread during cooking. With a floured fork press the top of each cookie so that it bears a clear imprint of the tines.

Bake in a preheated oven (350°F or gas 4) for 10-12 minutes. The cookies should be lightly coloured and just beginning to firm up. Avoid overcooking, as this mixture scorches easily. Allow to cool for a few moments, then transfer to a wire rack, and store in airtight tins.

**Grey Poupon**  
Genuine French mustard  
From Dijon  
Available at branches of—  
E.H. Booth, Cullen, Sainsbury, Selfridge, Waitrose.  
Sole Importers  
Kiri Mischke Ltd.

**Chocolate fudge brownies**  
Makes 16 squares  
6oz plain dessert chocolate.  
2oz butter.  
1 egg.  
Cream together the butter and peanut butter, which should both be at room temperature, then add the sugar and beat well. Add the egg and beat in. Sift the flour and cocoa into the mixture and stir until well incorporated.

Put teaspoonfuls of this mixture on ungreased baking trays. Keep them fairly small and a neat round shape, and space them on to allow them to spread during cooking. With a floured fork press the top of each cookie so that it bears a clear imprint of the tines.

Bake in a preheated oven (350°F or gas 4) for 10-12 minutes. The cookies should be lightly coloured and just beginning to firm up. Avoid overcooking, as this mixture scorches easily. Allow to cool for a few moments, then transfer to a wire rack, and store in airtight tins.

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Kiri Mischke Ltd.

## Law Report November 7 1978

### Queen's Bench Division

## Planning permission not dependent on economic grounds

Walters v Secretary of State for Wales and Another

Before Sir Douglas, Frank, QC, sitting as a deputy judge of Queen's Bench Division

[Judgment delivered November 3]

The grant of planning permission cannot depend on the resources and intentions of the applicant, since it is for the benefit of the public that planning permission is granted.

The Secretary of State for Wales, in making the economic decision whether to carry out the development.

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## The only way to appeal

In re K (Minors)

This only procedure available for appealing from an order enforcing payment of money due under the Guardianship of Minors Act 1970.

The order for enforcement could only be appealed on a point of law, Sir George Baker, President, sitting with Mr Justice Croomy in the Divisional Court of the Family Division, said when dismissing an appeal made on motion by the father.

HIS LORDSHIP said that the father's appeal failed because of a technicality, he had made it plain to the justices and in the Divisional Court that he did not intend to pay one penny towards the maintenance of his children.

There had been ample material before the justices which entitled them to make the order.

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## 25 years ago

From The Times of Saturday, Nov 7, 1953

Rioting in Trieste

From Our Correspondent

Trieste, Nov 6.—A situation approaching revolution developed in Trieste this morning and British and American troops intervened to force the Italian police force to protect the allied

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## CINEMAS

IN ST. MARTIN'S LANE—HOME

ASONS (12) For 12, 240 seats

5.00, 5.50, 6.00, 6.50, 7.00, 7.50, 8.00, 8.50, 9.00, 9.50, 10.00, 10.50, 11.00, 11.50, 12.00, 12.50, 13.00, 13.50, 14.00, 14.50, 15.00, 15.50, 16.00, 16.50, 17.00, 17.50, 18.00, 18.50, 19.00, 19.50, 20.00,



## General Vacancies

## DRESSER INDUSTRIES

## THE COMPANY

Dresser Industries Inc. is an international corporation headquartered in Dallas, Texas, USA, and employs more than 55,000 people worldwide. The Company's principal business activities are related to supplying the energy industries and general industrial markets with a wide range of high technology products and services.

Marketing Engineer - Dubai  
Engines and Energy Systems

## THE JOB

Dresser is seeking a Marketing Engineer who will be responsible for the development and promotion of all aspects of the company's business in the diesel and gas engine and associated medium size generation equipment markets throughout the United Arab Emirates. Specific duties include the formulation of spare part inventories and development of servicing facilities. This is a senior position reporting to the Managing Director.

## THE SUCCESSFUL CANDIDATE

Will probably be educated to degree level, in either electrical or mechanical engineering, and will have at least five years' marketing experience within the industry.

## REWARDS

An attractive salary and incentive programme will be offered to the successful candidate. Other benefits include housing allowance, company car and a medical insurance scheme.

## INTERVIEWS

To be held in the U.K., will be arranged in the near future.

## APPLICATIONS

Should be made in writing, giving full details of career, educational and personal background, to:

Paul L. Wood, Manager Personnel Administration, Europe, Dresser Europe S.A., 197 Knightsbridge, London SW7 1RJ. Telephone 01-584 7681.

The British Council  
will have around 30 vacancies  
in 1979 for candidates wishing  
to join its  
HOME SERVICE

Most of the vacancies will be for programme organisers to undertake the detailed administration of study programmes for visiting students from developed countries but some of the successful candidates will begin their careers in departments which handle the Council's resources of staff and money. While most will start work in London, there may be one or two vacancies in the Council's regional offices which are spread throughout Britain.

The posts are open to men and women graduates, and also to people who have appropriate qualifications in, for example, social work, teaching, and business studies. An essential qualification is some work experience: those graduating in 1979 will be considered only if their degree has included lengthy sandwich placements or if they have given some training for financial administration. Previous experience of administration of overseas countries is an advantage as would some knowledge of overseas countries.

The London salary scale at 25 is £3,762 and rises by annual increments to £5,044. There are opportunities for transfer from one kind of work to another and for promotion. Interviews and selection boards will be held throughout 1979. For further details about work, and about how and when to apply, write quoting 'C14' to: The British Council, Staff Recruitment Department, 65 Davies Street, London W1Y 2AA. Telephone: 01-499 8011 extension 3041.

GULF DEVELOPMENT  
CO. LTD.

The following are required for overseas projects aged preferably under 40.

Mechanical Engineer with project management experience.

Negotiator with legal qualification.

3 Chartered Accountants or Economists preferably with merchant banking and negotiating experience.

Marketing Executive with administrative and negotiating experience.

Chemical Engineer with experience in the oil industry.

Agonomist

It will be an advantage for candidates to have previous overseas experience and additional qualifications including languages. Good salaries will be paid to the right person for each category.

Apply in confidence with curriculum vitae to The Secretary, Gulf Development Co. Ltd, 128 Park Lane, London W1Y 3AE.

SENIOR ASSISTANT  
CONTROLLER OF  
ADMINISTRATION

£8,253-£9,375 p.a.

Inclusive of London Weighting and Salary Supplement. Town Clerk and Chief Executive's Department (Administration Division)

Croydon is one of the largest London Boroughs, having a population of 330,000 and an area of 534 square miles. This job is held at the level of As well as representing the Town Clerk and Chief Executive at some of the major committees and sub-committees and dealing with the administrative legal work, it involves the control and co-ordination of one of the three committees and has an important role in the management of the Division. Applications are invited from solicitors in local government with management experience at a senior level.

The starting salary will depend on qualifications and experience. Assistance towards re-location expenses and/or temporary housing will be given in appropriate cases. This is a full-time permanent position. Previous applications are still under consideration.

## CROYDON

Application forms and further details are obtainable from the Head of Personnel Services, Taberner House, Park Lane, Croydon, CR9 3JF. Telephone 01-688 4433, ext 2317. Closing date: Tuesday 21st November, 1978.

The British Council  
MUSIC OFFICER

The British Council, a worldwide educational and cultural organisation, is seeking a Music Officer in work in its Music Department at London Headquarters. Duties will include the organisation of music tours abroad; the provision of information on British music and the music profession; and advising on programmes of attachments in Britain for music specialists from overseas.

Applicants must have a good general education, a degree or professional qualification in music, and experience in professional music management, preferably including tour management. Fluency in a foreign language would be an advantage.

Salary, including London Weighting, starts at about £3,500 per annum and there are good pension provisions. For further details and an application form to be returned by 29 November, 1978, write or phone quoting 'F3' to Staff Recruitment Department, The British Council, 65 Davies Street, London W1Y 2AA. Telephone 01-499 8011, extension 3041.

ACCOUNTS  
ADMINISTRATOR

A graduate or equivalent with previous experience in accounts required by civil and structural engineering contractor. The successful candidate will be responsible for the day-to-day running of the accounts department, including the preparation of accounts, correspondence and management data. Initially working closely with the company secretary.

A working knowledge of accounts is necessary and a qualification in business studies or related subjects useful. Intelligence, tact and foresight essential.

Starting salary in the range £4,000-£4,500 p.a. according to experience. Age irrelevant. 25-35.

Apply in writing giving telephone number to Miss Mary Peake, Harveys and Sotheby, 30-32 Whitfield St., London W1P 1RF.

LONDON Restaurant Group requires a full-time chef de cuisine. The successful candidate will be responsible for the day-to-day running of the kitchen, including the preparation of accounts, correspondence and management data. Initially working closely with the company secretary.

REPORT SHIPPING CLERK, experienced in shipping documents, Harveys and Sotheby, 30-32 Whitfield St., London W1P 1RF. Tel: 01-499 8011.

EXPERIENCED AND QUALIFIED Assistant Manager required for a well-known London restaurant. The successful candidate will be responsible for the day-to-day running of the restaurant, including the preparation of accounts, correspondence and management data. Initially working closely with the company secretary.

ALANGLATE Legal Staff, the specialist consultants in the profession, are seeking a full-time solicitor to join their team. The successful candidate will be responsible for the day-to-day running of the firm, including the preparation of accounts, correspondence and management data. Initially working closely with the company secretary.

PROFESSIONAL FAMILIAR, Michael's, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

TRUST  
MANAGEMENT

We are currently seeking an Assistant to a Trust and Estate Manager with a minimum of 5 years' experience in the field of Trusts and Estates.

Age about 25 you will have gained a sound knowledge of the accounting function related to the administration of Trusts and Estates and will now be looking for an opportunity to further your career. A pleasant salary of up to £25,000 per annum with a bonus of up to £2,000 and a pension scheme of up to £1,000 per annum. Prospective applicants are requested to telephone Charles Bennett on 404 5701.

CRIPPS SEARS & ASSOCIATES  
Personal Consultants

HERE VALLEY RESEARCH  
COMMITTEE

Post of  
POTTERY ASSISTANT  
(Post excavation)

Salary: £2,253-£2,551  
(including supplements)

For further details write to:  
The Archaeological  
Field Centre  
Ham Lane House  
Ham Lane, Orton Waterville,  
Peterborough PE2 0UV.

CITY  
LIVERY COMPANY

Has immediate vacancy for an experienced driver/keeper up to trial balance.

Knowledge and sense, experience with investment in small office. Must be adaptable and able to prepare reports to committee. Age up to about 45. Starting salary £3,000. Non-continuity pension, season ticket for 12 months.

Applications with full CV no later than November 15, 1978. Write to:  
Box 9058N, The Times

RECEPTIONIST/  
TELEPHONIST

required for busy young office in Knightsbridge, specializing in high level, professional manner, good voice, attractive appearance, and typing ability. An essential part of the job will be to answer incoming calls. Salary £3,000 p.a. plus LVs. Please call Rosalind Clarke on 01-584 6211.

PUBLIC AND EDUCATIONAL  
APPOINTMENTS

University of Glasgow  
DEPARTMENT OF TOWN &  
REGIONAL PLANNING

Department of the Environment  
Inner Cities  
Research Programme

Research Programme  
Applications are invited for two posts, one  
RESEARCH  
FELLOWSHIP  
and one  
RESEARCH  
ASSISTANTSHIP

on a three year research project led by Professor G. C. Brown, who is a leading authority on the planning of major cities in the U.K. and abroad. The successful candidate will be responsible for the day-to-day running of the project, including the preparation of accounts, correspondence and management data. Initially working closely with the company secretary.

Further particulars may be obtained from the Head of the Department of Town & Regional Planning, University of Glasgow, Glasgow G12 8QQ, or from the Director of the Department of the Environment, Inner Cities Research Programme, 12 John Prince Street, London W1M 8HS. 01-408 2131.

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## FROM THE BOARDROOM FLOOR

even the most careful stage management from the platform by the Confederation of British Industry's second annual conference, which concluded in London yesterday, could hide delegates' resolve to stop the ship's slide to acquiescence in some form of legislation remote industrial democracy.

In the past few years the ranks of CBI supporters have swollen, as they have been by real in the boardrooms. And it has been an easy issue for the to handle.

What happened this week in London was a reminder from "grass roots", shortly after Queen's Speech with its inclusion of a Bill for joint representation committees and workers' boards, that this is a Bill which member companies do want the CBI to be a piper in a tune for which they did pay. The CBI president, Mr. Greenborough, sensing the need for some powerful chieftains, avoided a platform at over the CBI's position on participation by not giving a vote and, instead, referring the document back for further thought. The paper recorded an embarrassing point that in evidence to the original ad hoc committee on employee participation had supported

"fall-back legislation" to encourage participation in companies below board level. While the CBI leaders attached various conditions to their support for legislation—such as allowing a reasonable span of time for industry to develop employee involvement systems in their own way—even the mere talk of the organization becoming embroiled with law making on this subject was evidently too much for the general membership to stomach. They are tired of legislation and being abused by reformers, and see little pressure from even their trade unions for statutory forms of codetermination.

What the businessmen were saying at Brighton, both at the rostrum and more trenchantly in private gatherings outside the conference hall, was that they accept the message that employees deserve more information and better consultation, but that management should be left to develop their present systems of participation in their own way with their own people. They go a little further, and say the CBI should provide a code of practice and use its influence, but this must be free of prescriptive forms of structure when the mix of human relationships within companies is very complex.

If the CBI were to feel that

any companies or sectors of industry proved themselves to be backsliders, after promising a measure of voluntary action, then it should look to its own influence for a remedy, and not invite legislation, which might destroy the results achieved by other more forward-looking managements. That is not an unreasonable view for industry to take when the Bullock Committee was misconceived in its majority compromise over participative systems and the Government's own White Paper commands little management support and barely stirs trade union breasts within individual companies or industries.

Ministers can hardly be eager, on their present parliamentary majority, to encounter determined opposition to employee involvement legislation. The CBI was in danger of making the Government's banding of a controversial Bill a little easier, but now its members have made the business community's anxieties even plainer. That it came about because of an outbreak of democratic feeling among the 1,200 delegates assembled at Brighton is an irony, but it actually enhances the value of the CBI conference as it grows into an annual event truly expressive of opinion within the business community.

## RS GANDHI'S COMEBACK

Gandhi has proved once again that she is a national capable of winning votes. In the last general election she won in the nagar by-election gives her a seat in parliament. An absence of a year and a half with it a better base to organize opposition to the Janata coalition. Since she was asked to break away from the defeated Congress Party to form her own "Congress" she has made progress. In state elections her wing did well, the "official" Congress miserably. She repeated success in May. Since then as been an untiring speaker at rallies.

Choosing to fight a by-election in a southern state Mrs. Gandhi was going to a part of country where Congress did in last year's general election. A state governor who was active supporter of Mrs. Gandhi's "Congress" made for her success. To considerable extent however, her success must be attributed to a government under Mr. Raju Desai's leadership. But even more it shows Mrs. Gandhi's success in exploiting

that failure at the point where it was electorally most vulnerable. In her campaigns in last February's state elections and ever since she has concentrated on the misfortunes visited on Harijans, tribal minorities and other disadvantaged classes, who form at least two-fifths of the Indian population. In addition to their distress there have been more than a dozen serious riots in which Muslims have been the chief sufferers. By promising to fight the wrongs done to such voters Mrs. Gandhi has won their support.

Back in Parliament Mrs. Gandhi may not have so potent an effect as she has done in fighting elections. The by-election result will now promote further shifts of political loyalty of the kind that has damaged so much of Indian political life. Those who feel that a move will increase their chances of office will mostly be in the even weaker "official" Congress led by Mr. Swaran Singh. Some may now be prepared to make their peace and rejoin Mrs. Gandhi. Others will hope that their political clout will seem enough to welcome a welcome in the Janata coalition.

Obviously Mrs. Gandhi's real grasp of political power would only follow desertions from

Janata to her own Congress Party in opposition. Such desertions are unlikely. Mrs. Gandhi is a long way from regaining her old reputation at the centre of politics. Nor is it likely that a party in office, with no present prospect of having to call an election, will now lose any of its supporters to an opposition, even one that has made steady electoral progress.

But that the Chikmagalur result is a blow to Janata and a sharp warning to Mr. Desai cannot be contradicted. The charges against Mr. Desai are that he has lacked initiative, that his leadership has been sluggish, especially over the increased and illicit repression of Harijans, and above all that he is unimaginative. In every general election held in India it must be assumed that a new band of voters goes to the polls that has never done so before. In part there are those who have come of age, in part an indeterminate number who were before ill-equipped to judge between those appealing to them, or not confident enough of their own rights, or scarcely able to believe that their vote could count in bringing about change. Many of their votes must have gone to Mrs. Gandhi in Chikmagalur.

## CAMPAIGN FUNDS

Those considering the passing of public money to political parties to help them in the election to the European Parliament next summer will find a year which is full of funds, and a year which is full of a general election, a round of local elections, and in Scotland and in new assemblies, is going to be precious little to spare for the claim on public

money to political parties: how appropriate that we should share their experience in elections which help to tie us in with them. The European Parliament is budgeting for more than £7m next year to be spent on "information" about the elections, and it looks as if British political parties will have received something like a million pounds among them from that source for that purpose over two years. So all that is being requested is a bit of topping up from the national Exchequer to make sure that the elections go with a bang.

It all adds up to a runaway case. Yet it still has to be circumvented. The objection which has ruled us to now and which is rooted in the view that political parties in our system of government are voluntary associations wholly responsible for their own finances. On that view the need to impress people and interests with their utility, to the extent of extracting monetary contributions, is a salutary thing, keeping the parties to close observance of the feelings and interests of the people they purport to represent. Even an exceptional departure from the rule that public funds are not available to political parties

and there have been one or two departures in connection with the parties in Parliament) deserve to be looked at with keen suspicion, since once they have a hand in the public purse parties, if they act in combination, are in a uniquely favourable position to help themselves to more; and at the casual clearing station for society's lame ducks the place of political parties is at the back of the queue.

Besides, in the present case the merits of a directly elected European Parliament lie open for all to see. It is democratic, it is integrative, it is educative to the nation in its new role. With so estimable a cause, and with the lubricating funds thoughtfully provided by the present appointed Parliament, the parties ought to be able to demonstrate a sense of the importance of the occasion sufficient to bring in the necessary funds and bring out a respectable proportion of the electorate. It would show a lack of faith in the European dimension to think otherwise. If the Labour Party collectively suffers from that lack of faith, the last thing it is entitled to expect is that taxpayers will make good the consequence of its deficiency.

## ng listed buildings

Sir Frank Marshall  
Mr William Bell, in his letter of November 1, says less than a word to the conclusion which I reached in my inquiry on Greater London Council.

proposal to devolve to the boroughs responsibility for the arrangements for the conservation of listed buildings would be a departure from the arrangements which I explained in my report to the Greater London Council. I believe that the listed buildings conservation should not necessarily be other factors—particularly in local planning or conservation terms.

I need to preserve and encourage opportunities is arguably not pressing problem facing us today so much so that it is out of place to suggest that it is weighed in the balance of the conservation of the city's cultural heritage.

## Arts sponsors

From Mr John Last  
Sir, Some of your correspondents in writing about business sponsorship of the arts seemed to have missed the distinction between the money that is forthcoming from the Arts Council and from business sponsors for particular artistic occasions.

I am the Chairman of an orchestra which could not survive without the ongoing support of the Arts Council and the Merseyside County Council and on all occasions we gratefully acknowledge the support of both these bodies. However, both the Arts Council and the Merseyside County Council are committed by their very terms of reference to support the arts and the artistic occasion. Business houses, however, are not so committed and when they venture forth to support the arts, whatever their motives they have every right to seek the widest publicity for their sponsorship. There is a difference in kind

between their sponsorship and the sponsorship of the Arts Council and other governmental bodies be they local or otherwise, and it is perfectly proper for the artistic organizations to acknowledge this sponsorship differently. Yours faithfully, JOHN LAST, Chairman, Royal Liverpool Philharmonic Society, Hope Street, Liverpool, October 30.

## Finding a church

From the Reverend Peter D. Keenan  
Sir, Would Mr. E. C. Gellon (Letters, October 26) like a list of the Anglican churches in London's West End where "Mass" times are prominently displayed? If he could convince the vicars of these churches that the Virgin and of the Sacred Heart, not to mention holy water fonts, stained glass, Benediction, sanctuary lamps and confessional, were all part of a "blasphemous fable" he would be of great service in assisting visiting Roman Catholics to find their own church. Yours faithfully, PETER D. KEENAN, Spinlet Place Rectory, 22 George Street, W1, October 26.

## Education 'loophole' in the law

From Mr Raymond Shimell  
Sir, I wonder if I am the only parent to take strong objection to the report by your Education Correspondent to which she refers to a "loophole in the law" which enables parental choice of schools to be effective and to "exploitation" by parents of the existing law.

This is the language of the politician, against and appalled that increasing numbers of parents do not regard unquestioning obedience to the edicts of their local politicians as part of the natural order of things, who is determined to move yet another of the few remaining safeguards for the ordinary citizen.

The clause in the Education Act which the Minister is determined to remove is one of the very few ways in which curbing parents can hope to prevent their children being dragged into unsuitable schools. It is also a very rare case in which a local authority has to produce evidence in support of whatever case it may think it has, rather than the more usual procedure where the individual citizen has to try to prove the authority wrong.

As a small step in this direction, it is devoutly to be hoped that the Opposition will raise its sights, however temporarily, from its usual dissonance, and unite to defeat this further attempt to impose the will of authority upon the citizen, regardless of any views the said citizen may have.

Yours faithfully,  
RAYMOND SHIMELL,  
29 Meadow Road,  
Tonbridge,  
Kent.

## Churchill biography

From Mr Martin Gilbert  
Sir, In the course of completing the 1930s document volumes of Sir Winston Churchill's biography, I have tried, as in each of the previous volumes, to include brief biographical notes for each individual who appears in Churchill's story. The notes have made it possible to track down more than a thousand people, but a few still elude discovery.

May I use the courtesy of your columns to ask for any information which would help me to compile factual notes for any of the following:

Stuart E. P. Asherley,  
W. F. Bullock (New York Correspondent of the Daily Mail),  
Demetrius Rallis (Manchester Chamber of Commerce),  
Allan J. Eidenow (Director, British General Press),  
Cecil Patrick Fox (aged 29 in 1937),  
N. B. Foot (New Commonwealth Society),  
E. Hammond Foot (Royal Engineers),  
Jack Imber,  
Captain Hugh Orr-Ewing,  
Robert K. Pearson (of Barnet, Hertfordshire, and the English Institute, Prague, 1939),  
H. W. Potter (a Manchester Journalist in 1934),  
A. H. Richards (former publicity manager of the News Chronicle),  
Captain J. F. Ruchven,  
H. Tingey (of George Newnes, publishers), and  
Colonel Weston-Jarvis.

Yours sincerely,  
MARTIN GILBERT,  
Merton College,  
Oxford.

## Henry Moore in the Park

From Miss Joan Creamer  
Sir, If Professor Brawee enjoys Henry Moore's sculptures so much (November 6) may I suggest that he puts his efforts into getting them sited in his own local surroundings: thereby allowing our delightful Kensington Gardens to go back to its own natural beauty, without these huge monstrous mounds sticking up like sore thumbs.

Yes, beauty is in the eye of the beholder but we have had our eye full all summer.  
Yours sincerely,  
JOAN CREAMER,  
12 Dreyson Mews, W8.

## Swear or affirm

From Professor Glanville Williams, QC, FE  
Sir, If any MP has the opportunity to introduce a Bill to replace the oath by an affirmation in legal matters, he is unlikely to encounter any appreciable opposition. The Criminal Law Revision Committee, in its sadly neglected Report on Evidence (1972), strongly supported the recommendation of the Law Society to this effect, referred to by Mr. Rumbold (November 1), and gave no fewer than six reasons for it. Yours faithfully, GLANVILLE WILLIAMS, Jesus College, Cambridge.

## Blackmail

From the Bishop of Willesden  
Sir, May I draw your readers' attention to the increasing misuse, in press, media and common speech, of the word "blackmail"? It is being taken to mean the application of pressure in the sense of a threat, as in Mrs. Jean Mayland's suggestion (Letter, November 2) that Roman Catholics and Orthodox might break off dialogue with the Church of England if the latter were to decide to ordain women. Blackmail is something quite different—the extortion of payment in exchange for not revealing a secret discreditable to the person so threatened. Yours faithfully, HEWLETT WILLESDEN, 173 Willesden Lane, NW6.

## Crisis in Britain's prison service

From Mrs R. A. Lamb  
Sir, Mr Norman, Secretary of the Magistrates' Association, refers to the basic need of society to be protected (November 4). The Howard League for Penal Reform is also vitally concerned with the means of doing this, as shown by their years of dedicated research on behalf of victims, offenders and the general public.

It would be an ill wind which blew some good if the current prison crisis resulted in shorter sentences. The present over-crowding in prisons makes the punishment more severe than intended. It has never been proved that longer sentences protect the public from anything except the most serious crimes.

The respite gained from the removal of the offender's presence from society must be weighed against the harm caused by the deterioration in his state of mind (due to possible breakdown of marriage, loss of employment and living accommodation), as this deterioration can prove a potential disadvantage to the community when he comes out.

Yours sincerely,  
DAPHNE LAMB,  
Kingsbury Manor,  
Broadchapel,  
Salisbury,  
November 6.

From Mr C. H. Rolph  
Sir, One can see an instructive contrast between the letters from Mr. Martin Wright of the Howard League (November 2) and Mr. Geoffrey Norman of the Magistrates' Association (November 4).

The Howard League view is that it is "unrealistic and dangerous for the courts to ignore the realities of the prison situation in deciding the level of their sentencing" (ie how long anybody should get).

Not at all, says the Magistrates' Association. It is "even more unrealistic and dangerous to base sentencing policy on expediency and ignore the basic need of society to be protected."

Both are concerned about the crowded prisons, both would like to see society "protected", both want to see alternative punishments made available quickly and on a large scale; but the Magistrates' Association accuses the Howard League of being itself on expediency.

What else should you use as a basis for penal policy? Unproved theory? Criminological labelling? Righteous indignation? Moral outrage? Vicarious vengeance? Where has any of these got us in the past 50 years?

If the magistrates could but water down their non-expedient anger, determination, "correctional justice", etc. to the tune of a mere 10 per cent, the problem of overcrowding in the prisons could be solved within a few months.

If every prisoner owed getting six months were given 25 weeks instead, every once a sentence were 325 days, all the currently bi-or-miss criteria would be honoured without waiting for the huge prison-building programme we cannot possibly afford (in any sense of the word) for a system of "rational alternatives" that looks as far away as the Greek Kalends.

Yours sincerely,  
C. H. ROLPH,  
Rushmore Edge,  
Stratford,  
Guldford.

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Yours sincerely,  
C. H. ROLPH,  
Rushmore Edge,  
Stratford,  
Guldford.

## Anonymity of barristers

From Mr C. R. Berry  
Sir, On Friday last (November 3) you reported the House of Lords decision in *Seif Ali v Sydney Mitchell & Co*, an important case on barristers' liability in negligence. I find it difficult to think of any justification for the barrister's concerned remaining anonymous.

I appreciate that no case is yet made out against him since this was an interlocutory appeal and that it might be embarrassing for the barrister in question to have his colleagues and the solicitors branch aware of the allegation, but I am quite sure that no court would offer such protection to any other profession.

In the course of his judgment Lord Salmon pointed out that it is no more unpleasant for a barrister to have to fight an allegation of negligence than it is for a physician, a surgeon, an architect or an accountant, and yet no member of those professions, if at the forefront of an important legal decision on the subject of negligence, would enjoy the protection of anonymity. Their cases would be reported nationally and, more importantly, in the "trade journals" with names mentioned. The unfortunate solicitors in the case in point did not enjoy protection and in my view the barrister should also have been named unless a new rule is to be established for all professions. Yours faithfully, C. R. BERRY, 2 Stone Buildings, Lincoln's Inn, WC2, November 6.

## Arms for Zambia

From Mr Julian Amery, MP for Brighton Pavilion (Conservative)  
Sir, On Thursday, November 2, I ventured to criticize the Foreign Secretary for sending arms to Zambia. By way of reply he quoted from a speech of mine in which I had advocated sending arms and indeed instructors to Zambia.

The conventions of the House do not allow a backbench member to put a second supplementary question. I should, therefore, be grateful if you would allow me to put the record straight.

My speech was made on February 24, 1976. At that time the Soviet-Cuban invasion of Angola was the focus of attention. President Kaunda had condemned this action of the tiger and its deadly cubs. He and President Mobutu of Zaire were actively supporting the anti-Soviet resistance movements in Angola.

Mr Nkomo's operations against Rhodesia had then scarcely begun. In those circumstances I thought it right to call for support of all those African states, black or white, who seemed prepared to resist Soviet imperialism.

Since then President Kaunda has moved to a more pro-Soviet position and is the principal host country to the Nkomo guerrilla organization.

In today's circumstances it seems to me wrong to give Zambia weapons to defend Nkomo's camps, unless, of course, we are also prepared to lift sanctions so that the Rhodesians can buy weapons to protect themselves against incursions by Nkomo's guerrillas. Yours faithfully, JULIAN AMERY, 112 Eaton Square, SW1, November 6.

## Enlightening quotation

From Mr F. T. Stratton  
Sir, The Coastguard cottage at Weybourne which we recently bought has no lighting, but the nearest electricity is only about 600 yards away along a farm track so we asked the Electricity Board to quote.

After due consideration, the board offered to supply at a cost of £7,294.00, payable in advance, their price to escalate with the cost of labour and materials in the nine or 10 months before the supply will be available.

We decided to settle for Calor Gas. Yours faithfully, F. T. STRATTON, Paynes Farm, Woolmer Green, Hertfordshire.

## Union postal ballots

From Mr Neville Sandelson, MP for Hayes and Harlington (Labour)  
Sir, In May, 1975, an Early Day Motion in the name of Mr. Tom Urwin, MP, and sponsored by myself, urged the Labour Government to the introduction of maximum democratic participation to ensure the provision of financial aid for postal ballots in trade union elections.

Nearly one hundred Labour members, a large number of whom are either trade union sponsored or have close trade union associations, representing about one half of the total number in the Parliamentary Labour Party free to sign Early Day Motions, appended their names in support. A number of other colleagues assured me at the time of their agreement with the motion.

In there any real difference in principle between the provision of Government aid for postal ballots in trade union elections and the provision by legislation for secret ballots to determine industrial strike action?

Surely the latter, as much as the former, would ensure maximum democratic participation. Yours faithfully, NEVILLE SANDELSON, House of Commons, November 6.

## Averse to voting

From Mr R. A. Leeson  
Sir, I see that just 3.5 per cent of the "brightest electoral college" turned out to vote in the election of an Oxford Poetry Professor.

If this had been the AUEW, it would have been worth a first leader, would it not?

Yours faithfully, R. A. LEESON, 15 McKinnon Road, Broxbourne, Hertfordshire.







As we approach the end of the decade the change from authoritarianism to a gradual liberalization of government accompanied by the demise of populism is slowly sweeping through the continent. This Special Report looks at the economic situation in the major countries

the other hand there  
rowing number of mili-  
governments—Greece,  
and Portugal to name  
ost recent—which have  
sacrificed” themselves  
it recourse to severe  
shed. Quite what is

he slower in Argentina, which is still engaged on an anguished search for the "right" political formula for a return to civilian administration. The Argentines are more "Latin" than the Latins in temperament, often impatient, and sometimes volatile.

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S. SEINE, FRANCE.



On this and the following two pages correspondents assess the economies of the main countries

## ARGENTINA

	1973	1974	1975	1976	1977	1978
Reserves \$m	1318	1315	452	1608	3531	5140
Consumer prices (%)	81.2	23.5	182.3	443.2	177.1	177.8
Foreign borrowing \$m	87.3	476.2	50.4	885.5	871.1	627.0
Bonds					43.0	155.0
Eurocredits	87.3	476.2	34.4	885.5	828.1	472.0

\* 1978 first half  
† 12 months to August  
‡ End of May

If you compare Argentina now with the country as it was in March, 1976, the difference is almost miraculous. The country was then in the middle of a dirty guerrilla war, the Government was a sink of corruption, six ministers of the economy had come and gone in bewildering succession, inflation was running at more than 50 per cent a month, and the reserves of the Central Bank stood at \$2.1m if you counted Cuban promissory notes. Three years of populism had left Argentina bankrupt.

Now the country is at peace, it has had the same President and Minister of the Economy for more than 30 months, the Central Bank reserves are more than \$6,000m and the balance of payments surplus for 1978 will approach \$2,000m. Only inflation lingers on as a hangover from the past.

Politically the military Government is unsinkable. The Marxist guerrillas have been totally defeated. Those politicians who outlived the populist experience of 1973-76 are permanently discredited; those who did not are content to leave the busi-

ness of government to the armed forces and to collaborate when invited.

The star of the Government has been Dr José Alfredo Martínez de Hoz, who is not only Minister of the Economy, but Argentina's most effective representative to the outside world. In the dark days of 1976 his personal prestige enabled loans of \$1,600m to be collected to stave off bankruptcy. All these loans have now been repaid. Dr de Hoz is also one of the only two ministers to survive the ministerial reshuffle last week.

His economic team has imposed on public finances an order rarely seen in the past 40 years. The meagre provincial administrations are being made to balance their budgets and can no longer rely on federal handouts. All publicly-owned concerns except the Post Office and the railways must seek their finance in the capital markets, and many of them are being offered for sale.

The public sector deficit is no longer covered by printing money, but by borrowing. No public sector

investment is undertaken without finance being previously arranged.

Another great reform has been in banking. Under populist rule, banks were little more than agents for the Central Bank. Loans were granted on official instructions at rates of interest well below those of inflation, making them no more than a subsidy. The bill was paid by those who held funds in the Argentina financial system, and inevitably those funds were removed from it until the country's financial resources had dropped to 6 per cent of the gross national product.

With the freeing of interest rates and the granting of tax privileges to depositors, money flooded back to the banking system. To encourage the process further, the state maintained a guarantee on deposits in licensed institutions, and the result has been a financial boom, with fringe banks and finance houses mushrooming all over the country.

The fight against inflation has not been as brilliant as the ending of the danger of hyperinflation in 1976, the Government has been unable

to reduce the annual rate below 150 per cent, and Argentina still has the highest rate in the world. With M3 having expanded 190 per cent in the past year, there are no immediate prospects of achieving a reduction.

The huge and expensive apparatus of the public sector is the prime cause of continued inflation and much of it cannot be influenced by the team of Dr Martínez de Hoz because of the vested interests—many of them military—that protect it.

This year has also been a bad one for industry and farming. Industry, no longer sustained by cheap loans and chronically undercapitalized, was forced to reduce stocks in a market barely able to purchase its products. After the optimism rife in 1977, industrial investment plummeted in the first six months of 1978 to the lowest level of the decade.

Farmers, oppressed by the weight of taxes, have also given up investment. Bulls and tractors have been almost unsalable, and a grossly overvalued currency gives little hope for a rise in incomes.

However, Dr Martínez de Hoz insists that this year's recession is merely a question of regular pour mixer sander, and that once private enterprise has adjusted itself to the new conditions, economic recovery will be well set for a period of sustained growth.

Tony Emerson



An atomic reactor at Atucha, Argentina.

## BOLIVIA

	1973	1974	1975	1976	1977	1978
Reserves \$m	72.0	193.7	156.2	167.9	236.7	181.3
Consumer prices (%)	31.4	62.7	8.0	4.5	8.1	8.7
Foreign borrowing \$m	4.5	52.0	90.1	161.0	115.0	182.0
Bonds					15.0	
Eurocredits	4.5	52.0	90.1	161.0	100.0	192.0

\* 1978 first half  
† 12 months to April

A prominently displayed plaque in La Paz airport puts Bolivia's case for being conceded an outlet to the sea. The absence of such an outlet is a big handicap to the landlocked country's economy. Despite support from most of its Latin American neighbours—Bolivia has use of a free port at Rosario, Argentina, and a concessionary political gesture—Venezuela recently gave the Bolivian Navy its first large vessel—the breaking off in March of diplomatic relations with Chile has set back any immediate hopes of achieving maritime status.

Relations between Chile, Bolivia, and Peru can be

expected to remain delicate in 1979, the centenary of the Pacific war in which both the latter countries lost territory to Chile. It will be a psychologically important year in the southern cone, and that has given Bolivia's new President, General Juan Pereda Asbú, a justification for delaying the promise of a general election until 1980. Other reasons he has given are the need for electoral reform and for consultation with political parties after July's patently irregular national poll, when General Pereda overthrew incumbent Hugo Banzer to take power.

General Pereda's contrived victory was Pyrrhic, to say the least, and the

chief difficulty encountered by his regime, helmed by the United States, has been lack of credibility, both in the eyes of foreign trading partners and the Bolivian populace. Nor, a leader of visible liberal inclinations, has he been under strong international pressure, notably under the Carter human rights banner, and has seemed as reluctant to specify a date for a new "clean" election as his predecessor in organizing July's poll. There is also the problem of consolidating support within the military. President Pereda cannot be said to have a base of popular support. The opposition Popular Democratic Union

(UDP), led by ex-President Hernán Siles Zuazo, was already celebrating victory when the election percentages inexplicably turned General Pereda's way, and the party leader resorted to hunger strikes, a particularly enervating and effective weapon in Bolivia, to protest.

The UDP and National Revolutionary Democratic Alliance, led by Señor Víctor Paz Estenssoro, another former president, may now regret not having joined forces in a united front against the military.

Resentment in Bolivia's mines, the heart of the country's economy, has added some political uncertainty to the economic uncertainty already created by low world metal prices. Bolivia suffered the effects of an American proposal earlier this year to sell off some of its tin stocks, and accused the United States of "economic aggression". Production of bismuth has been halved in some mines this year because of poor market conditions, and the export tax on lead, zinc

and antimony was temporarily suspended, also to the effect of low prices. Only tungsten ductility has been consistently flourishing.

However, the state enterprise, Comibol, continues its development programme, nearly halved which is financed later although a \$30m deepening plant at Oruro is built with credit from the Soviet Union. Its modest oil exports drive last year, and agricultural production is erratic in windswept altiplano.

Despite the country's dearth of industrialisation, a sign of underlying omic confidence is Bolivia's currency has been stable for the past two years against American currencies, at about 20 pesos to a dollar, in stark contrast to the currencies of neighbouring countries. Bolivia's evolution would welcome lift to that.

Peter Goe

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## In Argentina a bank to keep in mind.

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**BANCO DE GALICIA**  
Y BUENOS AIRES

## BRAZIL

	1973	1974	1975	1976	1977	1978
Reserves \$m	6415	5272	4034	6541	7258	6733
Consumer prices (%)	12.8	27.6	28.9	41.9	43.7	36.1
Foreign borrowing \$m	883.1	1629.5	2154.8	3461.6	3174.6	2338.2
Bonds	61.0	25.0	35.0	193.3	833.5	513.5
Eurocredits	822.1	1804.5	2119.8	3268.3	2341.1	1824.7

\* Feb  
† 1978 first half  
‡ 12 months to May

As President Geisel's Government enters its last five months, and with the November general election likely to give the opposition a strong position in Parliament, Brazil is embarking on a period of change.

When General João Batista Figueiredo takes over next March, he will have new priorities, and will certainly have a different approach from the austere President Geisel. His room for manoeuvre is limited by large debt and heavy oil payments.

Apart from pressure by organized labour gradually to increase its share of the still growing cake, which this year resulted in the first strikes in a decade, there is now a pressure building up within the heavy industry sector, demanding a larger share. Although the Government would like to reduce the amount of imported equipment, paid for in dollars, heavy machinery made in Brazil, involving massive initial investments, can be twice as expensive. It tends to be inflationary, and apart from usually being delivered late, is sometimes inferior in quality.

There are exceptions. The motor industry is now able to compete on equal terms with any in the world, as sales of \$1,200m worth of cars and parts to 60 countries this year illustrate. But there have been examples in the construction industry and

in marine engines and deep sea oil valves, where Brazilian-made equipment has not been of high enough quality for the job.

The industrialists appear to want to advance on all fronts simultaneously and take on state enterprises and multinationals at once.

General Figueiredo will have to devise a new regional policy for the northeast, where one in three Brazilians still live, but with only half or a third of the income of their fellow countrymen in the south. The present schemes have failed entirely and only a fraction of the jobs required have been created.

General Figueiredo has said that agriculture will be his first priority. He has concluded, probably correctly, that increased exports of foodstuffs, notably higher value canned and processed foods, is the best way for Brazil to move towards first balancing her trade again, and then generating a surplus large enough to start paying back her debt, and avoiding new borrowing.

This implies capital intensive agriculture, which creates few new jobs, often even displacing small farmers who are in the way. The modern industries involve a few, very large, firms in each sector, and also absorb little labour. Therefore, a large labour force must somehow be maintained in the countryside, and this implies

aid for the medium and small-scale farmer as well. There will certainly be fundamental changes in controversial mining policy. Brazil has reserves of almost every conceivable metal, plus uranium and other strategic metals. But her underground resources still remain largely uncharted, and this process must begin, if only to reduce Brazil's own imports of non-ferrous metals, now costing \$500m a year. Mining is surrounded by an almost impenetrable bureaucracy. Some form of risk contract, similar to that adopted by the oil industry, may be the best way to get metals moving.

General Figueiredo will also have to make a greater effort in dealing with uncontrolled urban growth which may have been left too late.

Patrick Knight

## ADHESION

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## The Times Special Reports

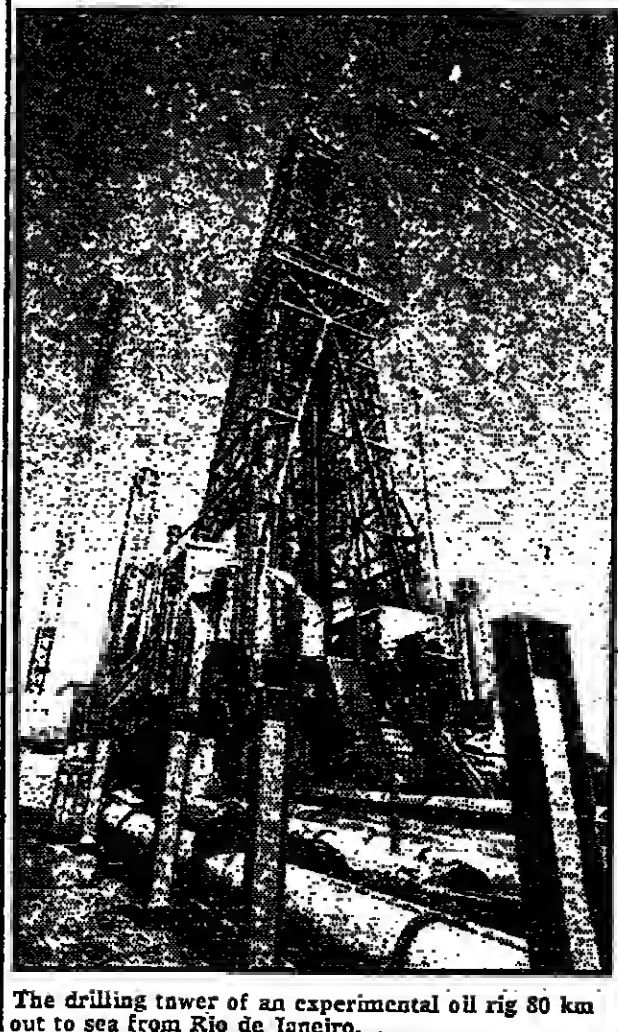
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The drilling tower of an experimental oil rig 80 km out to sea from Rio de Janeiro.

هكذا من النضال



## CENTRAL AMERICA

EL SALVADOR	1973	1974	1975	1976	1977	1978
Reserves \$m.	51.8	98.4	126.9	205.2	232.5	175.4
Consumer prices (%)	5.4	18.9	19.2	10.0	11.9	13.8
Foreign borrowings: \$m	—	230.0	—	100.0	—	—
• Bonds	53.0	—	—	—	—	—
• Eurocredits	—	230.0	—	100.0	—	—
† May	—	—	—	—	—	—
‡ 1978 first half	—	—	—	—	—	—
§ 12 months to April	—	—	—	—	—	—

Both authors are on the staff of *EuroMoney*.

States. Difficulties are being raised, for instance, over a request to draw some \$200 million worth of special drawing rights from the International Monetary Fund.

Generally speaking all five countries in the area—Nicaragua, Costa Rica, El Salvador, Honduras and Guatemala—are dependent on agricultural products such as coffee, cotton and the traditional bananas. They have been helped, therefore, by the high prices of coffee in recent years and will suffer

now that their exports are being affected by the drop in price.

In the British colony of Guatemala, it is claimed by Guatemala, is a different category but is too, has agriculture as the mainstay of its economy. development plan covering the period 1977-79 is under way, designed to increase the gross domestic product by 2 per cent. It includes industrial expansion, the development of tourism and the construction of a deepwater port at Seltze City.

Industrialization is also being promoted in the five Central American republics. In Costa Rica, for example, the Government is preparing a manufacturing strategy through its financial agency, Cofecsa, industry now accounts for some 17 per cent of the gross domestic product, compared with 2 per cent for agriculture.

The countries are joined together in the Central American Common Market. The use of land and water, not least as a result of the 1969 "football war" between Honduras and El Salvador, which led to the closing of the frontier. But it has been a success in the development projects are financed by the Central American Bank for Economic Integration.

Politically, the exceptional country of Costa Rica, which prides itself on being a democracy, and proved it earlier this year when it held presidential election. The opposition candidate, Soto, was handed a narrow victory.

him peacefully. The other four Central American countries have been ruled by military governments.

In Guatemala, too, there was an election this year, in which all the main candidates were army men. General Romeo Lucas Garcia took over as President on July 1. There were no signs that he would change the direction of the country's economy. This has been expanding since 1950, despite the disastrous earthquake of 1976, which destroyed much of the country's infrastructure. In the past, over large areas of land were killed more than 20,000 people.

Guatemala is one of the countries which has done particularly well out of the high price of coffee and we feel the effects of the recession.

El Salvador is another country suffering from unrest, with a serious guerrilla activity, and a hard response from the Government. This is discouraging foreign investment, but does not prevent a growth of per capita in 1979, domestic product 1979, much in line to die coffee exports.

There was a change of government in Honduras in August, in which a third man military rank took over as President, Juan Alberto Melgar Castro. Here, the recovery of banana production and forestry development projects are expected to counter-balance the loss of export income from the loss of coffee prices.

**Peter Strallev**

## COLOMBIA

	1973	1974	1975	1978	1977	1978
Reserves \$m	534	449	521	1158	1821	2047
Consumer prices (%)	22.8	24.2	25.8	17.4	30.0	14.0
Foreign borrowing \$m	215.0	8.0	116.5	110.0	43.0	10.0
Bonds	45.0	—	—	—	—	—
Eurocredits	170.0	8.0	116.5	110.0	43.0	10.0

One of the most important advantages of oil exports is that they provide a steady income at stable prices for the nation and help to protect it from the fluctuating world commodity prices which have plagued coffee, cocoa and banana income in the past.

President, Julio César Turbay Ayala, who succeeded President Alfonso Lopez Michelsen in August, faces numerous economic difficulties. Señor Turbay had made several attempts to reform existing financial fiscal and trade policies with some success. The money market is keeping down the rate of inflation that at several times threatened to get out of hand.

The troubles that confront President Turbay promise to be more severe. Coffee prices on the international markets have halved. Coffee exports accounted for \$1,400m in 1977 and contributed 65 per cent of total Reserves at \$2,024,7m in 1977. The coffee trade is strong and will cushion the economy in the short term. Señor Turbay is expected to adhere to many of the strict

exchange controls introduced by his predecessor as a measure to counteract the flood of dollars that poured into the country when coffee prices were booming. The Government will prefer to borrow than to see the reserve level shrink. At the moment this covers nine months of imports. Colombia has rarely borrowed on the London market and bankers are wary of Colombia's insistence of borrowing only under Colombian law and jurisdiction. On the other hand its low-debt profile makes Colombia an attractive proposition although the Central Bank is not prepared to borrow more than 10 per cent and more than 40 per cent over the London interbank offered rates.

But large capital-intensive government programmes will

need financing, especially in the oil company sector. In September, Ecopetrol the state-owned company, announced plans for new oil exploration wells with a bid to make Colombia self-sufficient in oil. The programme is expected to cost \$400m.

Oil is the most vital of Colombia's minerals. Few wells have been drilled in the past few years as Colombia's policies have traditionally discouraged exploration. Colombia's domestic demand for oil is increasing at 11 per cent a year.

One of Dr Turbay's main problems, will be to correct the shortage of foreign capital investment in the petroleum sector. This has largely been caused by Colombia's membership of the Andean Pact.

N.B. and P.C.



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## Sidney Wise



## MEXICO

	1973	1974	1975	1976	1977	1978
Reserves \$m	1385	1395	1533	1253	1723	1742
Consumer prices (%)	11.4	22.5	16.8	16.1	26.4	17.0
Foreign borrowing†: \$m	1355.2	1528.4	2436.2	2390.4	4166.4	2934.7
Bonds	177.7	50.6	276.3	427.9	1271.0	524.7
Eurocredits	1177.5	1476.4	2159.9	1962.5	2895.4	2410.0

† Feb

† 1978 first half

† 12 months to April

The Mexican economy spurred by almost daily increasing oil wealth and a firm recovery of the industrial sector is preparing to enter a period of substantial growth.

A government development plan calls for a 5 per cent inflation-adjusted increase of the gross internal product this year followed by gains averaging 7 per cent during 1979-80 and 8 per cent to 9 per cent during 1981-82.

"The worst is over," President José López Portillo said recently, referring to the economic and financial crisis that followed the peso devaluation of 1976.

But he made clear that more effective action must be taken to ease the many social problems which afflict the nation, including the lack of sufficient jobs and population which could almost double the number of inhabitants to 110 million by the end of the century.

Financed mainly by oil

exports, the Government will spend 80,500m pesos (\$1,765m) to create 330 agricultural industries and help to make Mexico self-sufficient in food with greater exportable farm surpluses.

At the same time, new "poles of economic activity" will be established in the sparsely-populated coastal regions to create jobs and divert the stream of rural immigration away from metropolitan Mexico City, with its over-concentration of inhabitants now totalling 13 million.

Liberal reforms in the political arena are being carried out by President López Portillo to ensure continuity of Mexico's unusual presidential system of government, the most stable in Latin America. Under the recent political reform law, three new political parties, including the Communist Party, will put forward candidates in the forthcoming elections.

Although the spectrum of competing political parties

will be widened, the institutional revolutionary party seems to be in little danger of losing the power it has held without interruption for almost half a century.

The economy has staged a remarkable recovery from the depths of despair and the financial wreckage that followed the devaluation of the peso and the end of the debt-ridden Echeverría administration in 1976.

Primary monetary reserves rose by \$700m during the first eight months of this year to reach a record of \$2,719m. Mexico paid off in advance a \$274m loan made by the International Monetary Fund (IMF) to be used to help to stabilize the peso.

Apparently Mexico has no need for the IMF credit which may be made immediately available upon request. The banks are coping with an unexpected but pleasant problem of excess liquidity caused by the flood of deposits in pesos which increased 241 per cent during the first

six months over the same period of last year.

The peso, although under continuing pressure from the need to pay substantial dollar debt, has remained firm throughout the past year against the dollar. However, being tied to the dollar, it has been dragged down by the American currency against the yen, the Swiss franc, the mark and other strong currencies.

The industrial and construction sectors have been among the most dynamic this year with respective six-month gains of 8 per cent and 3 per cent. Sales of lorries increased 33 per cent during the first seven months with delays of up to 60 days for delivery. Steel tonnage has increased 25 per cent during the first six months.

Cement plants are producing at near-capacity. Inflation increased at an annual rate of 17 per cent during the first half but a decrease of wholesale prices in August may indicate improvement during the last six months of the year.

The expected increase in the current account deficit which totalled \$800m during the first half is slightly below government forecasts. Reflective of the sharp recovery of the business sector is an unusual stock market boom. The 30-stock

price index of the Mexican Stock Exchange rose 143 per cent during the past 12 months while volume expanded rapidly.

Meanwhile the magnitude of Mexico's oil wealth is growing as reports of additional discoveries continue to be made. President López Portillo announced last month that Mexico's proved reserves of oil, natural and liquid gas were 20,200m barrels, an increase of 26 per cent over the 16,000m barrels announced less than a year ago. Potential reserves were placed at 180,000m barrels greater than the level of Saudi Arabia's proved reserves.

Five years ago, Mexico was an importer of crude oil with proved reserves of only 3,300m barrels. Since then, proved reserves have increased six-fold to exceed those of Venezuela, while recent important discoveries in Campeche and Chiapas-Tabasco await certification.

Oil exports are expected to reach almost \$2m this year, an increase of 100 per cent over 1977. Annual combined exports of crude oil, petrochemicals and other petroleum products will exceed \$10,000m by 1982, according to industry

Sidney Wise

## PANAMA

	1973	1974	1975	1976	1977	1978
Reserves \$m	41.7	69.3	34.4	78.9	86.6	153.5†
Consumer prices (%)	8.9	16.9	5.5	2.3	6.4	0.6
Foreign borrowing†: \$m	191.0	57.0	115.0	165.9	174.0	325.8
Bonds	—	9.0	—	13.9	27.0	91.1
Eurocredits	191.0	58.0	115.0	151.9	147.0	234.5

† May

† 1978 first half

† 12 months to April

It will be another year before the first phases of the Panama Canal treaties are implemented, but their ratification has already helped the economy and politics of Panama.

The approval of the treaties this spring removed a cloud of uncertainty which had prevented cautious investors from making financial commitments in Panama. Since the approval there has been a flurry of economic activity. Beginning next year, October 1 at the latest, the country will begin to reap an estimated 20-fold increase in canal revenues. It is expected to continue growing as a leading commercial and financial centre for Latin America.

Politically, the ratification prevented what would have been a dramatic blow to national stability if no agreement had been reached. Brigadier-General Omar Torrijos turned the treaties into a personal victory to revive his waning popularity and to tighten his political power. As a result, some reforms have been introduced to liberalize the political system.

Panama is only beginning

to emerge from one of the worst economic periods since the 1930s. The 1974-76 world recession was coupled with the depressed international market price of sugar, the country's main export, and a quadrupling in the price of oil, one of its main imports.

Last year the gross domestic product registered a meagre growth rate of 2.5 per cent, but it was a significant improvement after two years of stagnation. With inflation well under control, held to a 1 per cent rise in the first four months of this year, the Government is predicting a growth in the economy of 4 per cent this year.

The treaty settlements generally are regarded as having given the economy the push it needed. The United States Senate ratification means that Panama's annual revenues from the canal will soon jump from the present \$2.3m to between \$40m and \$65m and will reach a peak of \$100m a year by 1999.

Next year, Panama will take possession of two thirds of the 550 sq mile canal zone, much of which is potentially valuable development prop-

erty. By the year 2000 the country will own the waterway and the support facilities. Recently Panama landed the biggest foreign loan in its history, \$300m, from a consortium of international banks.

Similarly foreign banks have continued to view Panama as a stable base for their branch offices and the country is living up to its reputation as the "Latin Switzerland of banking". There are more than 60 international banks operating in Panama. Most of the leading world banks have been based there, principally because of the most liberal tax and money exchange laws in Latin America.

No significant change in the banking laws is expected to be made by the Government which has recognized that the presence of a solid international banking complex has made it easier for Panama to receive loans than for most other developing countries.

Private banks are expected to lead \$100m this year for private development and nearly twice that amount for investments in the public sector. Using the foreign

funds, Panama has ahead with an ar development project on the commercial of the canal. Proda scheduled to begin at the huge copper of Cerro Colorado, w investment of \$850m made. It is expected duce 1,800,000 to finished copper a year General Torrijos o retired as head Government on Oct when Señor Aristide the former educator ter, was endorsed National Assembly a dent of the Republic. dent Rodo, bandpic President Torrijos, su President Demetrio who had little mon ceremonial duties. General Torrijos control of the 9, National Guard as C der-in-Chief of the Forces. In this pos is expected to play a ful role in guiding the development of the Before his confirm President, Señor R he would have frequ consultations with Torrijos and contin ues which the gene ated after seizing p the 1968 coup.

Pressure to libera Government is expe continue, but leaders seem awa General Torrijos an dent Rodo are in a pr political position w military behind the Mark Fa:

## PERU

	1973	1974	1975	1976	1977	1978
Reserves \$m	568.4	988.2	486.6	330.2	421.0	na
Consumer prices (%)	9.5	16.9	23.8	33.5	38.1	42.7
Foreign borrowing†: \$m	628.0	382.0	434.3	350.0	144.4	—
Bonds	—	—	—	—	—	—
Eurocredits	628.0	382.0	434.3	350.0	144.4	—

† 1978 first half

† 12 months to May

After months of negotiating, the IMF and Peru have finally reached agreement on the bailing out of its economy. The stand-by agreement of 184m special drawing rights (\$234m) over two and a half years now leaves the door open for Peru to reschedule some of its \$1,800m foreign debt.

The terms of the agreement have been a bitter pill to swallow for the Peruvian Government. The 1978 budget deficit has to be slashed by 50 per cent in real terms compared with 1977 levels. A similar deficit is expected in 1979.

The IMF wants to see inflation falling to 35 per cent by the end of 1978 and

the worsening of the Peruvian economy. Growth in real gnp declined by 1.2 per cent in 1977 and is expected to fall by nearly 2 per cent in 1978. And the terms of trade were moving against Peru. From 1975 to 1977 the deficit on the current account had amounted to \$1,800m.

The terms of the agreement have been a bitter pill to swallow for the Peruvian Government. The 1978 budget deficit has to be slashed by 50 per cent in real terms compared with 1977 levels. A similar deficit is expected in 1979.

The IMF wants to see inflation falling to 35 per cent by the end of 1978 and

declining to a mere 15 per cent in 1980. The last time prices were at such a level was in 1974 when prices rose 16.9 per cent.

The Government has to improve its revenue from taxation, and prices of essential foodstuffs and commodities will have to be increased periodically.

Interest rates are to rise to cause a credit squeeze and domestic savings are to be encouraged. The sol is to be gradually devalued against the dollar to reverse the terms of trade.

Now, with some success in the external sector, the Government is free to concentrate on its internal problems. Relations between the Government and the unions are poor. Strikes in the past year have affected mines, vated by the dismissal and schools, hospitals and municipal workers. Though the



Government has said that it was prepared to amend some contentious labour legislation, during the recent miners' strike, the offer was rejected.

But the strikes appear to have moved beyond straightforward bargaining for higher wages, and the situation has been further aggravated by the dismissal and arrest of a number of strikers.

It is doubtful whether the planned constitutional reforms can proceed fast enough for the planned free elections to take place in 1980. The main question is whether the Government can succeed in carrying out the austerity measures with the IMF.

The rash of strikes in the first part of the year clearly shows the disenchantment of much of the population. Already some of the figures given in August to the IMF by the Central Bank are expected to have been altered seriously by the effects of the miners' strike.

A \$13m trade surplus for 1978, based on expected exports of \$1,896m, is now likely to be reduced because of the strikes.

The crunch will come in 1979 when real incomes will be squeezed in the attempt to bring inflation back to more acceptable levels. With half the workforce unemployed the prospects for Peru in the short term look far from bright.

Nigel Bance and Pamela Clarke

## VENEZUELA

	1973	1974	1975	1976	1977	1978
Reserves \$m	2412	6513	8861	8576	8214	7471†
Consumer prices (%)	4.2	8.2	10.3	7.6	7.7	8.2
Foreign borrowing†: \$m	136.9	51.9	200.0	1099.0	2087.7	2104.9
Bonds	7.5	1.9	—	—	437.8	477.6
Eurocredits	129.4	50.0	200.0	1099.0	1650.1	1627.3

† May

† 1978 first half

† 12 months to May

Venezuela's headlong rush for growth is beginning to slow. Falling oil revenue, a chronic shortage of trained manpower and rising inflation in investment towards imports have meant a receding of growth prospects in the short term.

Señor Benito Raúl Losada, governor of the Central Bank, believes that the pace in the growth of the economy has been too fast. He now wants consolidation. The size of the budget means that the Government will have no alternative but to continue borrowing from abroad. The reserves, which were at about \$7,500m, have been falling since the record level of \$9,200m in July, rapid growth of recent years.

Growth in real gdp was 6.8 per cent in 1977 compared with 7.6 per cent in the previous year. The slowdown has influenced a major shift in investment towards imports, especially capital goods.

The manpower shortage is now so serious that for the 1979 budget \$1,500m of the proposed expenditure of \$11,000m will be spent on education. But the size of the budget means that the Government will have no alternative but to continue borrowing from abroad. The reserves, which were at about \$7,500m, have been falling since the record level of \$9,200m in July, rapid growth of recent years.

Venezuela's foreign debt is \$7,000m and the debt service could reach \$2,500m in 1980.

To avoid the debt hump in 1980 Señor Silva Luongo, the Finance Minister, is in favour of refinancing. It has been estimated that 60 per cent of the debt could be refinanced. There is no way that the Euromarkets could swallow such an operation, especially as rates on Venezuelan loans were all negotiated at fine rates. The Government negotiated \$1,200m at 4 per cent over LIBOR for 10 years at the end of 1977.

Continuing capital import requirements will mean an

even larger deficit than the combined and current account deficit in 1977. A falling domestic demand that inflation gets at 8 per cent at the y 1977.

The most immediate election is the December presidential election. Pérez will not be again. The two main dates for the presidential election are for the president and the vice-president. The two main candidates are for the president and the vice-president. The two main candidates are for the president and the vice-president.

It is unlikely that Government will alienate the voters drastic cuts in expenditure just yet, with unemployment at 5 per cent the Venezuelans are probably disposed towards the Government than they might

N. B. and

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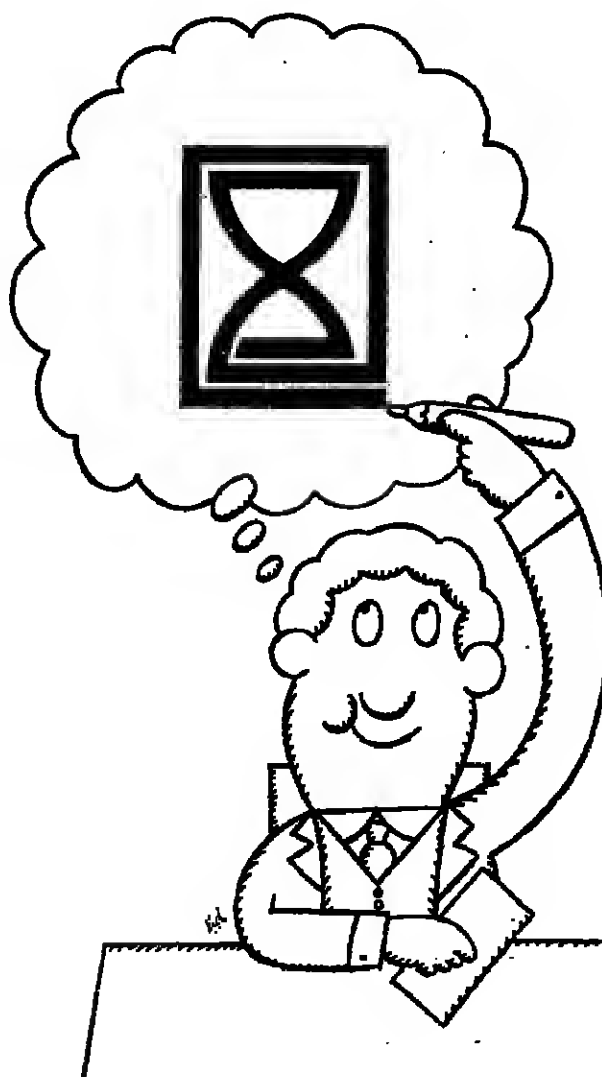
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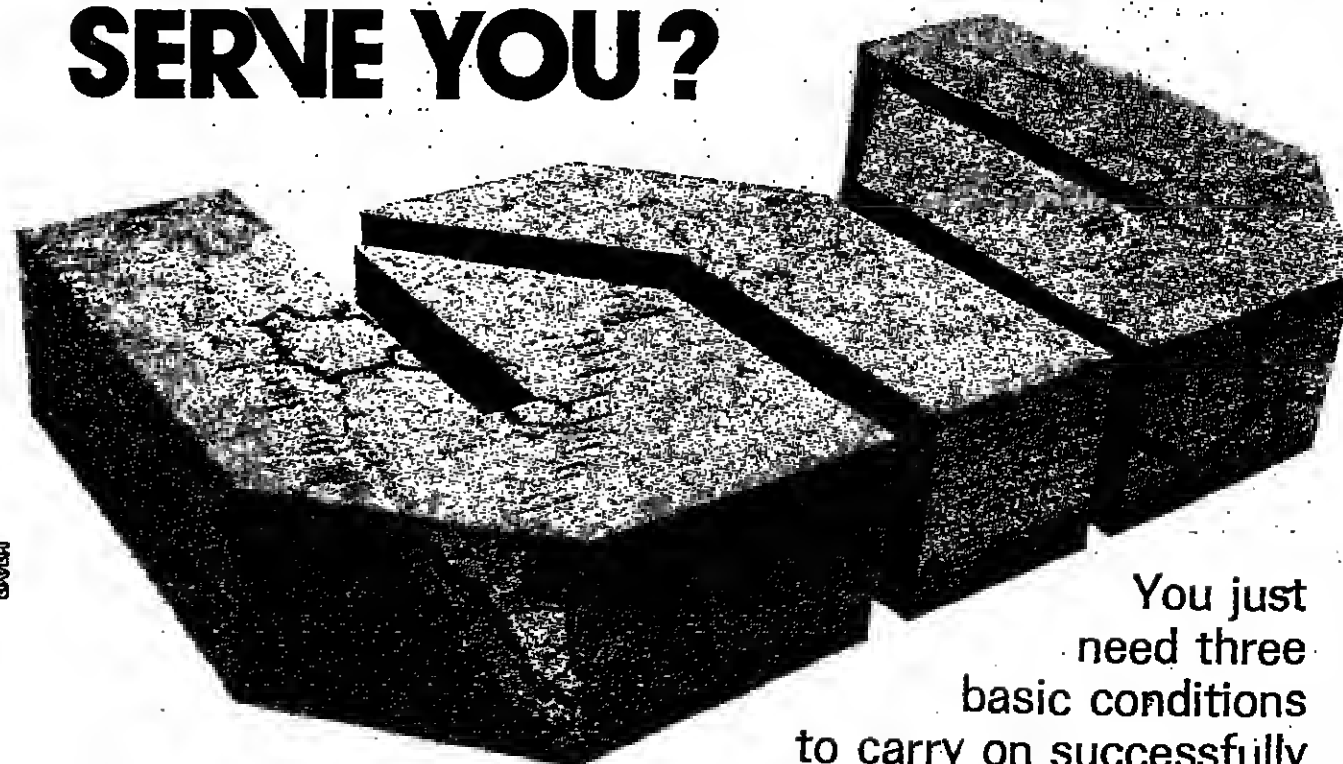
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# John Foor

plant and machinery valuation

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# THE TIMES

## BUSINESS NEWS

**LAING**  
for tomorrow's  
BUILDING, CIVIL  
& INDUSTRIAL  
ENGINEERING

### Lloyds, NatWest and Barclays ack British link with EMS

By David Blake  
The work on the EMS concluded, the expressed doubts about putting the scheme into effect immediately. At present the dollar recovered from its current very weak level, the EMS could be caught up in the hack wash. This could undermine the efforts to keep European currencies in line.

Sir Jeremy accepted that had the EMS existed during the recent dollar crisis, the system would probably have broken down. The new scheme should be launched during a period of calm on the exchange markets, he said.

Asked whether he thought a convergence of economic performance between the members of the EEC should precede the formation of the EMS, or the reverse, Sir Jeremy said they should go ahead in parallel.

He thought that the revenues from North Sea oil would give Britain a chance in the early years to get our economic performance in line with those of our Community partners. Some changes in currency exchange rates would still be possible for countries within the scheme, but too frequent changes would defeat the object.

Both Lloyds and National Westminster also provided papers to the Select Committee. In the paper prepared by Mr Christopher Johnson, the economic adviser to Lloyds, he argued that if it is true that the EMS will tend to favour fiscal and monetary deflation over devaluation as a means of keeping the balance of payments in equilibrium, this might be beneficial.

bankers' evidence was set against that of the committee. Mr Tuke, chairman of NatWest Bank, and Mr Robin Pemberton, chairman of Lloyds Bank, were conspicuously absent from the hearing. Mr Johnson, however, was present and gave evidence. He pressed very critical about the monetary bankers' evidence was set against that of the committee. Mr Tuke, chairman of NatWest Bank, and Mr Robin Pemberton, chairman of Lloyds Bank, were conspicuously absent from the hearing. Mr Johnson, however, was present and gave evidence. He pressed very critical about the monetary

### Dollar slips despite forecast of lower deficit

By David Blake  
The dollar last a little ground in thin trading in Europe yesterday in spite of a prediction by Mr Anthony Solomon, the United States Under-Secretary of the Treasury, that America's payments deficit next year will be only one third of its 1977 level.

News that the United States had drawn the first \$2,000m of loans from the International Monetary Fund on Monday and that the IMF has now completed arrangements for the remaining \$1,000m it is to lend the Americans did not disturb the torpor of European markets, which were quietened by the knowledge that American markets were closed because of the elections.

Sterling shared in the general dullness for most of the day, but one large selling order resulted in the pound closing 45 points down against the dollar at \$1.9725. The pound's effective exchange rate also fell slightly to end the day at 62.6 per cent of its 1971 level, down 0.2 percentage points on the day.

Mr Solomon's forecast that the United States current account deficit would be only one third its 1977 level during 1979 means that the Administration is now expecting a deficit of the order of \$6,000m. This is well below the previous estimates which it has made. However, the forecast assumes that oil prices are not changed—which seems to be unrealistic in the light of recent comments by ministers of the Organisation of Petroleum Exporting Countries.

The dollar slipped by about a penny against the Deutsche mark, despite some intervention by the German Federal Bank to prop up the United States currency. It lost a cent against the Swiss franc. There was a quite strong technical recovery in the price of gold which rose to \$216.375.

### CBI and unions offered pay compromise

By Patricia Tiedahl  
Management Correspondent  
Final draft proposals for a compromise on pay restraint policy were presented last night by government ministers to both employer representatives and senior union leaders. But the measures are unlikely to be agreed by either side.

Contrary to the industrialists' hopes, the measures are thought to contain tougher price curbs but also to stick to the 5 per cent pay limit already rejected by the unions.

The document is due to be presented in the TUC Economic Committee today. If it is agreed there—although this preliminary sign indicates this to be unlikely—it is expected to be published shortly afterwards.

However, it is thought that some progress has been made in that agreement has been reached on the need for regular, structured meetings on the economy between the Government and the TUC.

If separate meetings on a similar basis were arranged with the employers this would go some way towards meeting the Confederation of British Industry's long-term objectives of setting up an economic framework for discussions on pay bargaining generally.

Employer representatives set off to the meeting last night with a new resolve to stand firm.

The team, led by Mr John Greenborough, president of the CBI, and Sir John Methven, the director-general, had just been given an overwhelming endorsement for their policies at the CBI's national conference in Brighton a few hours earlier.

The industrialists are bitterly opposed to trading any increase in price controls with the unions in return for a pay restraint policy. They are prepared to stand by their earlier qualified support for the Government's 5 per cent pay limit.

But it was made plain to Mr Denis Healey, the Chancellor, that this backing would vanish if there was any question of removing the safeguards which prevent the Price Commission from blocking price rises by loss-making concerns.

Sir John was visibly encouraged at Brighton by the standing ovation given by delegates to his closing address, and by the earlier vote in support of his council's policies on pay.

This, together with clear signs that industrialists are not only prepared to take collective action if their feelings are sufficiently aroused, but also be prepared to stop sitting on the political fence, enabled him to take a much tougher line with Mr Healey and other ministers. CBI reports, page 4

### Royal Dutch Shell cuts Iran deliveries of crude up to 15pc

By Nicholas Hirst  
Royal Dutch Shell yesterday cut deliveries of crude oil to all customers of its purchasing and distribution company by between 10 and 15 per cent because of continuing disruption to supplies from Iran.

Mr Taher Abdul-Karim, oil minister of Iraq said the members of the Organisation of Petroleum Exporting Countries were unanimous that there should be a rise in oil prices for next year.

Shell's cuts will not hit immediately. Deliveries of the 500,000 barrels a day it normally supplies to 14 members of the consortium which handles 90 per cent of Iran's oil take about one month to reach Europe.

But if the Iranian shortages continue, Shell will have to review its shipping programme again and institute further cuts.

The Iranian shortages are strengthening the hand of Opec for when it meets in Abu Dhabi next month.

Kuwait nor Saudi Arabia has shown itself keen to make special arrangements to reduce restrictions on production ceilings. Light crudes are now very difficult to buy on the open market, and spot prices have risen sharply, although so little trade is being done that they are not very meaningful.

The Arab states seem to have come away from their summit at Baghdad with an understanding in go for more than the symbolic rise of 5 per cent that Saudi Arabia had once been hoping for, and estimates of the likely rise are firming at 10 per cent or more.

### Bread strike likely to add 2p to cost of loaf

The bread strike, which is paralysing production at Britain's two biggest bakers, Rank's Hovis McDougall and Associated British Foods (ABF), is likely to cost over £5m a week in lost sales (Financial Editor, page 29). And in the end it seems inevitable that the housewife will suffer in terms of higher bread prices.

The bakery divisions of both groups may now be running at a profit for the first time in five years. But margins are paper thin. Mr Peter Wood, financial controller at ABF, gave a warning last night that the 30p loaf is in sight.

December is traditionally the month when the price of bread is increased and, providing the strike does not run for much longer than last time's 10 days, it is expected that the bakers will apply to the Price Commission for a rise of at least 1p a loaf later this month.

However, the consequences of the stoppage could be more serious. The last strike, in September, 1977, cost the death toll for Spillers' baking activities.

Mr Wood admitted that there is still over-capacity in the industry, though he would not comment on any further cutbacks, saying only that any necessary redundancies would be included in the wage deal with the unions.

According to figures from the Bakers Federation, some 5 per cent of total sales were lost as a result of consumers finding alternatives to bread during the last dispute and there are fears that a similar effect could be felt this time.

Investment Analysts are already downgrading estimates for year-end figures as the strike cuts into profits and this additional loss of market share is providing a further unsettling factor.

The share price of both groups has suffered over the past few days and yesterday ABF slipped another 3p to 49p while RHM shed a penny to 49p. At this level ABF yield a prospective 6 per cent while Ranks shares offer income of 11 per cent.

Although parallels are inevitably drawn between the current dispute and the previous one, the major bakers are in a better position this time round. Much of the over-capacity has been absorbed by the collapse of the Spillers baking interest. Twenty-three of the 36 bakeries were shut down, at a cost of 8,000 jobs, while the remaining 13 were taken over by ABF and RHM. Despite this independent bakers have been unable to push up their share of the total market to more than 40 per cent.

Ironically, one of the major beneficiaries of the strike could be Rank's Hovis McDougall, through its Jacobs' Biscuits, and Booker McConnell which owns Allinson, the flour and yeast producer.

Rank itself should also see benefit as ABF will be supported by its Ryvita and Burton subsidiaries.

Alison Mitchell

### Substantial rise in EEC resource transfers 'absolutely essential'

From page 1  
The resource transfer, the decision to recommend against any major transfer of resources as part of the European Monetary System confirms warnings made by the Foreign Office in October to Cabinet Ministers involved in the proposed EMS scheme.

The Brussels Commission is preparing a report on reform of the Common Agricultural Policy (CAP) for December 4. The Ministry of Agriculture, Fisheries and Food is pessimistic about the extent to which other Community countries will be prepared to accept cuts in spending on the CAP.

In addition, a new worry has entered into calculations. This is that for the pound to be able to stay safely within any new system, it might be necessary to devalue sterling first. This the Government is now determined not to do.

Recent speeches at the Mansion House by both the Chancellor and the Governor of the Bank of England were intended to stress that at this crucial phase of the counter-inflation policy the Government does not intend to have a sharp drop in the pound's value.

At the bearing of the House of Commons Expenditure Committee on Friday, the Chancellor stressed the Government's commitment to exchange rate stability, adding that the important question was whether this was more readily achievable alone or inside a system with others.

He said that unless the terms of the scheme can be turned substantially to Britain's advantage it would be cheaper to pursue stability alone as one of the arguments being employed by those against joining the scheme.

It is felt that if the choice is between devaluing and then joining the scheme on one hand, and the United Kingdom should stay out of the system.

David Blake writes: The decision to recommend against any major transfer of resources as part of the European Monetary System confirms warnings made by the Foreign Office in October to Cabinet Ministers involved in the proposed EMS scheme.

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### More trim petrol station subsidies

By Our Energy Correspondent  
Shell and Esso, the two market leaders in petrol sales, are selectively reducing subsidies to their filling stations. The effect is to increase prices in some areas.

But both groups, which between them have more than 40 per cent of the retail trade, have decided against following the lead set by Mobil, BP and Total in abandoning all subsidies.

The price of Mobil, Total and BP petrol will be rising by up to 5p a gallon.

Esso said yesterday: "On a local basis we are still continuing to reduce our subsidies in selected areas. Petrol retailing is generally a losing money at the moment, and all groups are anxious to improve profit margins.

Retailers are being encouraged to charge prices which will guarantee adequate profits. In most cases, this means 80p a gallon or more for four star.

harming our market," Shell said.

The action of BP, Mobil and Total will make it easier for Shell and Esso to reduce subsidies in selected areas. Petrol retailing is generally a losing money at the moment, and all groups are anxious to improve profit margins.

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### Faster pace seen in money supply growth

By John Whitmore  
A larger than expected rise in the sterling deposits of the banking system in the month to mid-October yesterday confirmed financial market anxiety that the money supply is likely to be growing at a rather faster pace during the autumn months.

In fact, the rise of 2.4 per cent in the banking system's sterling liabilities—during the four weeks to October 18 will not have produced a rise in sterling M3, the broad based definition of money supply, on anything like that scale. But it does look as if sterling M3 will show a rise of 1.1 per cent when the full money supply figures are published on Thursday.

That would still leave the Government very comfortably in line with its sterling M3 target of 10.5 per cent for the present financial year.

Indeed, a rise of anything less than 1.4 per cent in sterling M3 in the October banking month would leave the annualized rate of sterling M3 growth in the six months at under 6 per cent—or beneath the lower end of the Government's full year target of 10 per cent.

Two days of talks between leaders of the British and Japanese motor industries ended last night with the Japanese refusing to give any firm guarantees on their sales in the United Kingdom next year.

A communiqué agreed between the Society of Motor Manufacturers and Traders and the Japanese Automobile Manufacturers' Association, which limited shipments of cars this year to last year's levels.

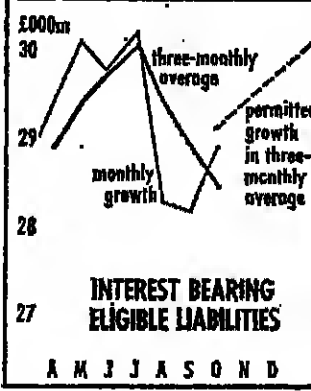
The Japanese share of the market this year is expected to be about 10.5 per cent—compared with 10.6 per cent last year—as a result of the drastic cutback in shipments from Japan ordered by MITI at the beginning of October.

Figures released yesterday by export activities—a phrase suggested by the Japanese—would mean no increase in the Japanese share of the market.

However, the communiqué was suitably vague and it was the lack of definite statements by the Japanese when the two sides last met in February which led the Department of Trade and the Japanese Ministry of International Trade and Industry to reach an agreement which limited shipments of cars this year to last year's levels.

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Figures released yesterday by



### Japan avoids UK car sales target

By David Felton  
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Figures released yesterday by

### How the markets moved

The Times Index: 208.66 — 1.76  
The FT index: 469.5 — 5.9

Rises		Falls	
Alloy Retail	11p to 112p	Edinburgh	17p to 385p
Alloy Coal	15p to 540p	Edinburgh	10p to 313p
Concorde Pope	10p to 72p	Edinburgh	30p to 385p
De Beers Ind	20p to 390p	Edinburgh	10p to 220p
Deere & Co	10p to 265p	Edinburgh	5p to 190p
Haggar	6p to 172p	Edinburgh	10p to 265p
Harmony	10p to 272p	Edinburgh	18p to 222p
Kinross	10p to 248p	Edinburgh	17p to 385p
Marinevale	5p to 82p	Edinburgh	10p to 313p
Old Exports	10p to 208p	Edinburgh	30p to 385p
Thames Sulphur	10p to 350p	Edinburgh	10p to 220p
UC Inv	8p to 200p	Edinburgh	5p to 190p
Ventures	11p to 173p	Edinburgh	10p to 265p
Winklebank	13p to 351p	Edinburgh	18p to 222p
Edinburgh	17p to 385p	Edinburgh	10p to 313p
Edinburgh	10p to 313p	Edinburgh	30p to 385p
Edinburgh	30p to 385p	Edinburgh	10p to 220p
Edinburgh	10p to 220p	Edinburgh	5p to 190p
Edinburgh	5p to 190p	Edinburgh	10p to 265p
Edinburgh	10p to 265p	Edinburgh	18p to 222p

Equities lost Monday's gains. Gilt edged securities again fell. In the money market, the 3-month bill (effective rate 3.5 per cent) fell 1/2p to 2.75p. The effective exchange rate index was at 62.6.

Gold rose by \$5.50 m \$216.375 an oz. 6DR-5 was 1.2888 on Tuesday, while 6DR-5 was 0.651180. Commodities: Reuter's index was at 1,531.3 (previous, 1,536.1). Reports, pages 30 and 32

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Comes Parsons 31  
Whitbread 31

### Wanted to sell re steel to BSC

By Maughan  
Wanted to sell part of its core steel division to British Steel Corporation between £3.5m and £5m. The sum will be fixed once levels at the warehouse on Great Bridge (West of London) have been established.

Stock and plant on other sites are included in the sale.

Three other Chesham steel warehouses at Hatfield, Morley and Belshill are closed, together with the sales offices. Alternative opportunities will be sought by SC and Glyndwr, together with the appropriate government agencies, but the employment of 150 people could be affected.

also sees benefits for the letting of its own steel works and the business could well trade under the name of Lye Spencer, which is a rolled steel producer.

on of BSC's stockholding British Steel Service co.

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### \$25m Serck deal with US valve group is called off

By Bryan Appleyard  
Serck's \$25m (£12.6m) venture into the United States valve manufacturing business has fallen through. The Birmingham-based engineer could not reach agreement with the sellers, Atlantic Richfield, and the deal has now been called off.

The problem was that Atlantic wanted to sell more than Serck wanted to buy. The original scheme was for Serck to buy the Alloyco division of Atlantic's Walworth Company.

Alloyco has been the best performer of the subsidiary, which has done rather badly overall in recent years. It was the highest value end of the valve market as opposed to the rest of the company, which is involved in less specialized products.

As such it fitted in neatly with Serck's own products and was felt by the board to be the ideal way into the United States, even though it represented a substantial bite for a company capitalized at £30m.

However, soon after the original announcement it became clear that Atlantic wanted to

### Thos Warrington accountants resign

Accountants  
Howell have resigned as auditors for Thomas Warrington & Sons, the Cheshire builders and contractors. Tansley, Witt have been appointed to replace them.

The resignation is due to changes within the Johnstone Howell firm. These involve the resignation of a senior partner and they mean that the Warrington audit would represent more than 15 per cent of the total fee income of the reorganized firm.

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## Failure of Geneva trade talks was 'inconceivable,' Gatt chief says

By Melvyn Westlake

In spite of the political shadows being cast over the world trade talks in Geneva, it was "inconceivable" that the negotiations would fail, Mr. Oliver Long, Director-General of the General Agreement on Tariffs and Trade (GATT) said last night. He was addressing a meeting at the House of Commons of the European-Atlantic Group on "Prospects for international trade policy". He said the political commitment of many nations, expressed most recently in talks at the Bonn summit, had made him confident of the ultimate success of the world trade talks.

The five-year long negotiations due to end on December 15, had their share of alarms, and there would probably be more before the summit was gathered in, he said.

Governments still faced some painful choices in the negotiations. In the coming weeks, each would have to make sacrifices in order to achieve their vital objectives. A fully satisfactory outcome, however, would depend on all participants choosing the most liberal options open to them. Mr. Long avoided any direct mention of the clash between the European Community and the United States over export subsidies and countervailing duties which has seriously threatened to undermine the trade talks.

Policies in the years ahead needed to be shaped for two broad tasks: to stimulate trade growth and to encourage continuing adjustment to fast-changing trading conditions. The decline in the growth of world trade was part of the

reason why international commercial relations had been so tense recently, and why unemployment had been so high and investment so low.

Beyond bringing the Geneva talks to a successful conclusion, there were two other imperatives for putting international trade back on the right track. One was to see that trading rules were fully applied. The other was to establish a much closer and more continuous working among governments on the broader trade issues.

GATT, therefore, needed to expand its important function as a legal framework for trade relations and to supplement its traditional role of negotiating and implementing trade agreements. It must provide the forum where concentration of views can take place, Mr. Long said.

## Mr Dell warns US to avoid shipping curbs

By Michael Barry

Mr. Edmund Dell, Secretary of State for Trade, warned the United States yesterday not to damage British interests by trying to impose its domestic legislation on international shipping.

Contrasting the American policy of deregulation in civil aviation with regulation in shipping, Mr. Dell said: "Do not try to impose your laws on us. Let us negotiate a peaceful settlement."

If deregulation was to be the policy it might be applied to textiles, he suggested, where high United States tariffs kept out competitive British goods.

In fact the deregulation policy was not even uniform in civil aviation, he said at the annual luncheon in London of the Chartered Institute of Transport.

While seeking to decontrol airline operation the United

States put heavy pressure on Britain to place orders with the American aircraft industry. But it was not in Britain's interests to allow the world civil aviation market to be divided into blocks.

British Aerospace and Rolls-Royce must sell where they could in the world, not just in the United States.

In shipping, politicization was perhaps inevitable in the case of developing countries through the UNCTAD liner code.

Describing himself as in favour of the maximum openness, competition, and friendship in trade, and the minimum of regulation, Mr. Dell said he recently warned an EEC country which preached liberal trade policies but advocated the UNCTAD Code: "I am siding against your interests and your principles."

## LETTERS TO THE EDITOR

## Britain has urgent need for more supplies of Zambian copper

From Mr Guy Somerset

Sir, It is good news that the British Government is to support the Zambian copper industry by paying in advance for copper to be delivered in 1980 and by offering technical and financial assistance to improve the rail links.

These actions will benefit not only the Zambian but also the British copper industry. The close relationship between the two industries has declined in recent years. The supply of electrolytic copper from Zambia to Britain has dropped by almost a half since the late 1960s. The export of blister copper to our refineries has stopped altogether.

Zambia remains our largest supplier but provides less than a quarter of our total imports. Formerly, Zambia exported almost half of its copper to the United Kingdom. In recent years, it has pursued a policy of diversifying away from the British market. This was understandable in all the circum-

stances. Zambia was too dependent on a single market and one, moreover, which was not exactly showing dynamic growth.

Unfortunately, this policy is continuing and it can only be to the detriment of the British copper industry. It is to be hoped that the action by our Government in supplying both financial and technical assistance will be the start of a new policy by both Governments. We need to get back to the previous close relationship between Zambia and Britain as producer and consumer of copper.

Britain has become increasingly dependent on supplies from other sources and now imports from 17 countries. Given the constant political, economic and industrial threats to our supply lines, this policy of diversification was also the right one but it should not be at the expense of our highest and most important supplier. Having stepped in with short-term assistance, the British

Government should now put trade in Zambian copper much better long-term for the supply of oil to Rhodesia.

Equally important is the supply of copper to British industry. Copper is now just about balance world wide, and prices are low. But this situation is not sustainable. Consumption is increasing, has already reached its peak, and the maintenance of world's copper mining and the huge capital cost of expanding it must cause concern to consumers.

Britain has no indigenous copper and must import it. We must look to our supplies for this commodity, it is so vital to our existence as an industrial nation. This is that our trade with Zambia should increase rather than continue to fall. Yours faithfully, GUY SOMERSET, Hoar Oak House, Alcombe, Minehead, Somerset

## Assurance on state aid for pig meat

By Our Commercial Editor

If Britain's pig meat processing industry produces a restructuring plan to strengthen its production base, the Government would not only look sympathetically at assistance under the Industry Act but would explore the "cope for additional EEC help," said Mr. John Silkin, Minister of Agriculture, Fisheries and Food yesterday.

He was speaking in London to the Bacon and Meat Manufacturers' Association after a National Economic Development Office report which earlier this week called for action on underinvestment in the industry, and for an improved marketing effort.

But a warning came from Mr. Bill Newton-Claire, the association's chairman, that if the industry applied for Industry Act aid for restructuring, at least half the funds would have to come from company own resources. He added: "I am bound to say that bankers and shareholders would not be enthusiastic about such a commitment until the burden of unfair subsidised competition is in real prospect of being phased out."

The industry, in a nil profit situation for four years, wants an easing of the Community monetary compensation amounts used for green currency adjustments, which the industry claims benefits the Danish and Dutch pig meat industries at the expense of the British.

Mr. Silkin said he hoped to see a response soon from Brussels on a case for easing the situation, and that further improvements would remain a priority for the Government.

## Shipyards hope for Chinese deal

By Derek Harris

A bid to persuade the Chinese to buy British-built ships to meet the needs of the People's Republic for about 30 cargo vessels was made yesterday at the start of a 10-day visit by Mr. Wang Chen, one of China's 13 vice-premiers.

Mr. Wang, who has overall responsibility for a number of industrial ministries including aerospace, shipbuilding and offshore oil, talked with his seven British advisers to Mr. Eric Vale, Secretary of State for Industry, and a group of leading British industrialists.

The Chinese delegation, the latest in a series of senior trade missions which are raising expectations of a considerable expansion in Anglo-Chinese trade, is expected during the visit to discuss the possibility of various defence contracts. The Chinese have already

expressed an interest in buying the Harrier, the vertical take-off military aircraft.

But at yesterday's meeting Sir Derek Ezra, chairman of the National Coal Board, urged the Chinese to consider how Britain's nationalised industries as a group could offer various forms of technology and expertise.

There are increasing hopes of the Austin & Pickersill shipyards, part of British Shipbuilders, securing orders from the Chinese who have asked for tenders for 30 cargo ships, 10 of them roll-on-roll-off vessels of up to 10,000 tonnes deadweight, and other cargo ships of up to 20,000 tonnes.

A British Shipbuilders trade delegation was in China last month for talks and an Austin & Pickersill group have been invited to make a special additional visit next month.

## In brief

### Fairchild launch new system

A new microcomputer which is claimed to be as powerful as a minicomputer was launched in London yesterday by Fairchild Camera & Instrument, the American electronics company. Known as the Microflame, the new system has been designed to operate on software written for the General Nova minicomputer.

Whereas the American Sullivan and the South African Urban Foundation Codes were introduced by American and South African companies only during the past 12 months or so, most British companies have been voluntarily applying a code of practice recommended by an All Party Committee of members of the House of Commons since 1974.

The positive response of British companies to that code was acknowledged by Mr. Edmund Dell, the Secretary of State for Trade in May 1978, when he introduced the Government White Paper "Code of Practice for the Guidance of British Companies on the EEC Code of Conduct which was to replace the 1974 Code. The EEC Code provides for annual publication by companies of a detailed report on progress made in its applica-

tion; it is also much wider in scope than the other codes; and Britain is ahead of the other European countries in operating it.

It is pertinent to observe that the CBI, have advised member companies to respond positively to the requirements of the European Code which is voluntary; and indications so far are that the vast majority are doing so.

The truth is that the record of British subsidiary companies (which outnumber by far all other foreign companies in South Africa) compared with any other, is therefore generally very good. Yours faithfully, JOHN MCQUIGGAN, Director, United Kingdom South Africa Trade Association Limited, 45 Great Peter Street, London, SW1P 3LT, November 3.

Mr. Edsoo de Castro, president of the General said that computer research and usage in Europe was "equal to, or superior to some cases" to the best in the United States.

Mr. Wang was also told yesterday that the British delegation would offer by others at the meeting, including Sir John Buckley, chairman of Davy International, Sir Peter Matthews, chief executive of Vickers, and Sir Arthur Knight, chairman of Courtauld.

## Call to cut spending and taxes

By Our Economics Staff

The proportion of Britain's national income spent by the Government might well now have gone beyond the level of public acceptability, Lord Cockfield said in a lecture in London last night given under the auspices of the Institute for Fiscal Studies.

He said the time had come to take a radically different view of public spending than in the past. The standard reply which was always given to pleas for lower public spending — namely, "where would you make the cuts?" — showed a profound failure to understand the problem.

Lord Cockfield said the question which really needed to be asked was how much money people were prepared to make available to the Government by way of taxation. It was then a matter for the Government to cut its coat according to its cloth.

Lord Cockfield was adviser on taxation policy in the early 1970s to the then Chancellor Mr. Anthony (now Lord) Barber. Earlier, Lord Cockfield was Commissioner of Inland Revenue. Until recently he was chairman of the Price Commission.

The kind of radical change needed to reduce the burden of taxation would facilitate both simplification and reform. "There is no reform easier or more welcome, there is no simplification more straightforward, than abolishing taxes, removing complications, and taking people out of tax liability."

Changes he advocated would not mean that we should unduly limit ourselves with a lower level of provision for the old, the sick or the disabled, Lord Cockfield said.

To reduce the role of the state and encourage enterprise was the way to create the level of our output to something approaching that of other industrialized nations.

This would amply provide funds for greatly improved services at a cost which represented a significantly lower proportion of the national income than at present.

### Business appointments

#### Lloyds Bank International names new director

Mr. C. J. Montgomery has been appointed a director of Lloyds Bank International. Mr. Montgomery is a director and a vice-chairman of Lloyd Bank.

Mr. J. R. Mayfield, controller of audit and investigations at the British Gas Corporation, has been appointed chief internal auditor at British Rail.

Mr. Michael A. Hutton is joining the electronics and instruments division of Bell & Howell as manufacturing director.

Mr. J. L. Kropf has become a director of Audiovisual Holdings. At the same time Mr. A. J. MacGillivray has joined the board and Mr. R. Turner has been appointed as finance director at the retail subsidiary of Audio-

### Racal wins Spanish £6m defence order

Defence communications equipment worth about £6m is to be supplied to the Spanish Government by Racal-Tacticon of Reading, Berkshire. Part of the order will be manufactured in Spain where Racal will co-operate with Equipos Electronicos SA, a government-controlled company, to set up a factory in Madrid.

This will be the first time that Racal's microelectronics assembly expertise has been transferred outside the Racal group.

### Tate & Lyle to sell two parcel tankers

Tate & Lyle, which has been reducing its shipping fleet, has agreed to sell two 24,000dwt parcel tankers to John Swire & Sons, parent company of the Swire Group, the Far East transport-based group. Swire is at the same time joining the shipping group Panosco-Ancor, of which Tate & Lyle will remain a partner.

### Investment talks

A group of senior Swiss businessmen arrive in London today to discuss investment opportunities in Britain. The team will meet the Prime Minister, the Chancellor and the energy and industry ministers.

### Staffordshire Potteries (Holdings) Limited

#### Record Earnings: 1 for 4 Scrip Issue

Year to 30 June 1978

● Turnover up 13% to £10,819,000

● Pre tax profits up 16% to £1,246,000

● Earnings per Ordinary Share up 13% to 23.5p

● Dividends up 11% to 3.95p per share

● Current position:

During the first four months of the current financial year, sales to United Kingdom customers are 8% higher than the corresponding period of last year and although conditions in North America remain very competitive, exports have gone up by 13% and profitability to date is satisfactory.

## Denial of resources to the gifted has become an 'act of faith'

From Mr Bernard Newsam

Sir, May an electronic engineer of more than 40 years' experience in industry, government service, and private enterprise, comment on Friday's letter from the chairman of the National Electronics Council?

His diagnosis of our present condition and probable future is sound enough; but for the rest, far from offering a solution, his letter exemplifies within itself the main causes of the ills it seeks to remedy.

Were George Stevenson alive today he would not command the resources to build a Rocket. Were Isambard Kingdom Brunel alive today he would not command the resources to build the Great Western Railway. More recently engineers Neville Shute, Norway, Barnes Wallis, and Alec Issigonis have testified to the struggles of the able and knowledgeable to wrest the resources from the demagogues or accountants who have the power to allocate them. They were either unsuccessful or had it

handed out in crippling, grudging, and carefully monitored amounts. Today in this country, denial of resources to the gifted has become a tenet of faith. It has been put into effect chiefly by means of onerous taxation, aided by a mountain of bureaucratic clogs upon action. Finally there has been added a spate of hostile legislation intended perhaps to show how much this country respects its rights and disapproves of such people.

Churchill had a word for it when he said that such people should be "on tap but not on top"; your letter heading carries on the same theme speaking of a "lack of experts" — to be "on tap" no doubt but to whom? The letter itself spells it out — on tap to Government; trade unions; education authorities; leaders of industry. In other words they are to be in leading strings to all those who are least qualified to look into or rapidly changing future.

This country has been fortunate hitherto in having people who

have made great contributions against all the odds. Today post-war legislators, not expiring the will to improve, have made the odds unacceptable to those who help us solve our manifold problems. Alas, without a change of attitude it is downhill all the way.

Two examples of attitudes: 1. The educational system where young people are guided towards their careers. If the student too bright academically, interested in building air radios out of his part is "good with his hands" can join two wires to them obviously, he should come an electronic engineer.

2. With respect, when a man is required to lead a committee dealing with advanced technical areas, who is chosen?

Yours faithfully, BERNARD NEWSAM, Ormesby, Norfolk.

## An International Group in many fields of textiles

# COATS PATONS LIMITED

## Interim Announcement

Unaudited results for January/June 1978 and the comparative figures for 1977 are as follows:—

	Jan./June 1978 £000s	Jan./June 1977 £000s	Year 1977 £000s
Turnover	330,050	323,591	639,534
Trading profit before charging depreciation	41,848	49,273	97,426
Less: Depreciation	6,138	6,141	11,413
Trading profit	34,910	43,132	86,011
Interest and other charges	3,778	3,214	7,213
Profit of associated companies	31,132	39,918	78,798
Investment and other income	826	285	635
Profit before taxation	32,846	40,906	83,233
Taxation	14,109	17,738	34,872
Investment grants	18,377	23,165	48,361
Profit after taxation	19,960	23,349	48,793
Interest of minority shareholders	2,137	2,983	6,000
Profit before extraordinary items	16,769	20,366	42,793
Extraordinary losses	132	188	1,970
Preference dividends	16,637	20,174	40,823
Profit earned for ordinary shareholders	15,613	20,154	40,773
Ordinary dividends	3,673	3,290	9,093
Profit retained	12,940	16,864	31,682
Earnings per ordinary share of 25p	6.1p	7.4p	15.4p
U.S. Dollar rates of exchange used—Dollars per £	\$2.00	\$1.80	\$1.92

Sales at £330 million were marginally up on January/June, 1977 despite being adversely affected, to the extent of £25 million, by the weakening of the U.S. Dollar and those currencies which move in sympathy. Volume was slightly down and an increase of 10% in overall prices was insufficient to maintain margins in face of rising costs.

Trading profits at £24.9 million fell by 59.2 million, or by 19%, relative to January/June, 1977, of which £2.4 million, or 12.5%, was due to adverse exchange rate movements. Trading conditions, which were exceptionally difficult in Europe and North America—where profits were down by some £16 million, offset by improvements in Australia and Latin America—accounted for the balance of £2.8 million. In the U.K. trading profits improved sufficiently to minimise the loss of Temporary Employment Subsidy, despite several areas where problems still exist.

Increased borrowing levels account mainly for the rise in the interest charge, although borrowing requirements are not increasing at the same rate as they did in 1977.

The increase in associated companies' profits is substantially due to better results in India. Tax has been charged at 43% based on our estimate of the rate for the year. No provision is required for Advance Corporation Tax not immediately recoverable. Full provision has been made for deferred tax, but serious consideration is being given to adopting SSAP 15 in respect of the 1978 Accounts.

Profit earned for ordinary shareholders is down 18% at £16.6 million.

Profit before taxation based on a Hyde computation is £18.7 million compared with £21 million in January/June, 1977.

Although the downward trend in sales volume is generally levelling out, an improvement in margins will remain difficult to achieve and, given that exchange rate movements have been more adverse than were anticipated, no significant improvement in profits in the second half-year can be foreseen.

An interim dividend of 1.25p per share (1977 1.603p) will be paid on 29th December, 1978, together with the second instalment of the final dividend for 1977 of 0.17p per share (1976 0.088p), resulting from the reduction in the rate of tax credit to 34% (1976 34%). The two dividends, totalling 1.427p per share, will be paid to the Ordinary shareholders on the Register on 10th November, 1978. It is intended that the dividend to be paid for the year 1978 will be the maximum permitted.



BY THE FINANCIAL EDITOR

## Credit pressures on the banks

day's banking figures for the month of October confirm the view that the money supply indicators were providing rather too optimistic a view of underlying trend in monetary growth (some of the summer months. Indeed, it did the fact that clearing bank start to look increasingly out of line (a low side) with market rates towards the end of the latest period bring a considerable volume of borrowing back into the system, but the clearers also reckon here was probably a further increase underlying demand for credit too.

does not mean to say that the £320m in the clearing private sector last month—an underlying increase of £200-£250m—adds up to impossible at this stage. But taken in conjunction with the public sector's rising borrowing requirement, it is not difficult to see the market is uneasy about the size of the domestic credit expansion over the coming months and the authorities to hold Sterling M3 growth close annualized rate of around 8 per cent now look likely to have achieved in the second half of the present financial year.

There would seem every reason for the Bank to announce that 8 per cent—would argue for even less—should become the median point for the new target; that would at least suggest an attempt to give the Government's policy a semblance of credibility. However, believes that he will, quite because the assumption is that the Treasury forecast for 1979 is unlikely to be the leeway on the PSBR to make it able—or credible.

entrenched bakers' strike the shares fell a further 3p to 65p.

Outside British baking, ABF's results are the usual mix with the Premier Milling operation in South Africa proving the major disappointment. Over-capacity here, has damaged margins particularly in egg, feed and poultry divisions, so Premier's contribution has been cut by a fifth to £8.4m.

However, a return to more stable conditions in South Africa has raised hopes for a significant second-half recovery, while



Mr. Garry Weston, chairman of Associated British Foods.

despite labour problems Australian profits are running 14 per cent ahead.

The bread strike has already scotched earlier hopes of a recovery to profits of £85m—£90m this year, but ABF's financial strength and wider spread leave it much better placed than Ranks Hovis McDougall to take the strain.

A 10-day strike last year cost ABF around £2m in profits and City estimates are that a similar stoppage this time around could cost over £5m, as a result of the higher exposure following the group's purchase of six plants from Spillers.

That would still leave room for some recovery from last year's £78m. But a yield of almost 6 per cent—five points below that of RHM—is not sufficient reason for taking advantage of recent price weakness in front of the strike.

### Whitbread

### Taking market share

Thanks to a second successive dismal summer, beer production in the six months ending in August was virtually unchanged from the poor level of the year before. This apart, Whitbread has had everything moving in its favour. First-half results compare against a period which suffered some £3m of strike costs; it has had a full six months benefit of a 2p, a pint price rise from the beginning of March; and it has been achieving volume growth against the trend in the industry. All of which explains why profits are up 28 per cent at £31.9m on a 15 per cent rise in sales to £320m. Even adjusting for the strike costs the underlying growth in the business was a healthy 15 per cent.

This first half buoyancy is, however, less remarkable than Whitbread's comment that "we believe we should maintain our momentum throughout the second half of 1978/9".

Further price rise until next year looks likely so margins will begin to suffer, and the growth potential in Long John must be reducing as Distillers' share of the whisky market stabilizes.

But the brewers do seem to have enjoyed a much better level of demand for beer during the autumn. Whitbread's Heineken and Stella brands give it considerable strength in the resurgent lager market; and its biters have been making good headway. The steady improvements in efficiency apparent over the past few years will be further enhanced by the closure of two small breweries at Blackburn and Rhymney.

The key to the shares at 98p, however, lies in the dividend potential. At the interim the increase is only 10 per cent, but under the new controls Whitbread should be free to raise the dividend to the full extent of any earnings uplift. Pre-tax profits should emerge more than a quarter higher at around £55m and a rise of, say, 20 per cent in the dividend would imply a yield of 7 1/2 per cent.

## West German unions challenge the legality of lock-outs

James Hutchinson describes how two big unions are taking employers before the labour courts

Bonn

Two West German trade unions—I G Metall (engineering) and I G Druck und Papier (printing workers)—are fighting a battle in the labour courts to have lock-outs declared illegal. The litigation could drag on for years and is likely to lead to a sharp deterioration of labour relations.

I G Metall, which has 2.6 million members and is undoubtedly one of the wealthiest unions in the western world, has filed 35,000 individual lawsuits, although it has agreed that only 50 "pilot" cases should actually come before the courts. The printing union, with 156,000 members, has lodged 7,000 actions and the same has been rejected. Its proposal that only a sample of cases should be heard. However, the actions are usually going forward in batches.

So far eight courts of first instance have decided against the engineering union and seven have declared lock-outs to be illegal. More significantly, a court of the second instance has also decided against the union. As for the printing workers, at the latest count they had notched up 13 victories in the lower courts and 17 in the higher courts.

The employers' practice of responding to a strike with a lock-out has long been regarded by the unions as an unacceptable relic of the nineteenth century. Their decision to campaign against it now in

the courts follows lock-outs in the engineering and printing industries during the winter.

For nearly four weeks in March and April I G Metall brought out some 85,000 of its members in the engineering industry in south-west Germany in support of a claim which was eventually settled with an increase of 5.5 per cent. The employers retaliated by locking out 145,000 workers in the affected plants.

The printing union called out 2,200 workers in five newspaper plants after taking them down over the introduction of new technology. The employers' answer was to lock out 32,000 workers in 500 firms throughout the country. Both unions claim that these disputes demonstrated a grossly unfair imbalance of power in favour of the employers.

The unions are asking the courts to order the employers to reimburse the locked-out workers for loss of wages, as well as to pass judgment on the fundamental issue of principle involved. It is expected that the battle will be taken to

the federal labour court and, most probably, ultimately to the federal constitutional court.

The constitution does not expressly mention lock-outs or strikes. It states that "the right to form associations to safeguard and improve working conditions shall be guaranteed to everyone and to all professions. Agreements which seek to restrict or hinder this right shall be null and void; measures directed to this end shall be illegal."

Both sides of industry have ways recognized this article as the constitutional definition of the right to strike. But the unions argue that it is inadmissible to read into these words the right of lock-out. But the federal labour court ruled that in a dispute both sides should be equipped with "means of applying pressure" so as to ensure a fair fight.

Last month a court of the second instance in the state of Baden-Württemberg, in its judgment in favour of lock-outs, said that the principle of free collective bargaining required

employers and unions to achieve a "meaningful" relationship by way of wage agreements. In arriving at the agreements each side was entitled to use "tactical advantages and means of applying pressure". This meant that both the strike and the lock-out were permissible. The printing employers would like to conclude a peace agreement with the union under which both strikes and lock-outs would be excluded as a method of settling disputes, an arrangement which has been practised in Switzerland with great success for many years.

The chairman of the union, Herr Leonhard Mahlein, rejects the idea because he says it would be tantamount to abandoning the strike weapon. This, he adds, is a basic right, whereas lock-outs had merely been recognized by some judges as permissible.

The campaign of the engineering and printing workers is being heavily supported by the federation of trade unions and leading in Social Democrats have expressed sympathy with the cause. But as one union

official put it, "The SPD has offered only moral support so far. They haven't said they would back a Bill outlawing lock-outs."

Between 1949 and 1977 there were 58 lock-outs in West Germany causing the loss of 3.15 million working days. During the particularly bitter labour disputes of 1963, 1971, 1976 and this year more workers were locked out than were on strike.

In a recent study of international practice the former federal minister of labour, Herr Walter Arendt, said that although lock-outs were permissible in almost all West European countries only in West Germany were they of practical significance. "Without doubt," he said, "West Germany is out on a limb when it comes to the laws relating to industrial disputes."

German employers who decide to lock-out their workers are under no obligation to give them notice or to pay their wages in lieu of notice.

The parliamentary opposition, the Christian Democrats, are firmly behind the employers in insisting that the lock-out weapon should be retained. So are the Free Democrats, who are in coalition with the Social Democratic Party. All in all, the odds are against a change for long time to come.

It is a controversy which will not help the climate during the next round of pay negotiations.

## House prices: how the Government got its sums wrong

House prices have risen by more than 20 per cent in the last 12 months; mortgage queues are getting longer with a six-month wait no longer uncommon; and there is every likelihood of an increase in the mortgage interest rate to at least 10.5 per cent before the year is out.

Needless to say, it is the level of house prices which has excited the attention of everyone from the Secretary of State for the Environment, Peter Shore, downwards and it is the spectre of another house price explosion along the lines of that of the early seventies which has had the greatest influence on building society events of the last 12 months.

Arguably, this concern, although understandable, has not been justified. At the best it has been a waste of time; at the worst, it has helped create potentially greater distortions or problems than those it sought to avert.

At the end of 1977 and in early 1978 stories began to appear that house prices were "taking off" again. Individual examples were cited of houses fetching double the price of 12 months earlier and that ugly word "guzzling" was heard once more.

Building societies did not have sustained evidence from their branches to back up the theory that house prices were about to explode. The Government, however, was never able to identify its sources of information—widely suspected to be the ad hoc and anecdotal evidence of commuting civil servants—was convinced that they were.

What is indisputable is that the Government was also swayed in its thinking by the weight of money that the building societies had at their disposal at the end of 1977. Monthly net receipts in October and November were an all-time high at £615m and £578m respectively. This was reflected in new commitments (promises in prospective purchases) during those months of £735m and £800m.

To the extent that building societies, the last time they were flush with funds in 1972, did appear to act somewhat responsibly by lending on above average income multiples (mortgageable deposits) some word of caution from the

Government was clearly in order.

What it did, however, in the interest of house price stability was to clip all mortgage lending by 10 per cent. Instead of a mortgage of £700m a month for 1978 societies, after discussion and some acrimony, were told that from April lending had to be restricted to £610m a month.

The controls were relaxed slightly in September, but even now societies are still limited to lending only £640m a month on house transactions. (Monthly advances include loans for home improvements which are running at about £100m a month instead of the more normal £40m a month.)

Despite repeated requests there is no sign yet that the Government will relent and let societies decide their own lending levels.

These artificial restrictions have not restrained home price rises. They have simply led to a lengthening of the mortgage queues.

More insidious still, many building society branch managers believe, is the fact that it is the first-time buyer who is being forced out of the market as a direct result of the Government's intervention. Always the most vulnerable, and therefore marginal, of prospective building society mortgage applicants, it is the first-time buyer who has suffered most from the lower percentage advances and delayed offers by societies. In the third quarter of this year the percentage advance decreased to 62 per cent of the average price/though parents are often willing to help out first-time buyers, there is no doubt that older, higher-earning second-time buyers have better access to the topping-up funds (mainly from banks, insurance companies and credit cards) necessary to secure a property.

A corollary of this, of course, is that the more expensive properties into which they are trading up are influencing and possibly exaggerating the upward trend of the various house price indexes.

Although the Government defends its policy, there is a widespread feeling that, in private, officials of the Department of the Environment are embarrassed by the whole episode. The intervention does

SECOND-HAND HOUSE PRICES				
Period	Average second-hand house prices		Real increases	
	£	Per cent increase	House prices/earnings ratio	In house prices per cent
1970	5,010	7.7	3.20	1.3
1971	5,710	14.0	3.28	5.4
1972	7,610	33.3	3.67	28.2
1973	10,170	33.6	4.57	24.4
1974	11,090	8.0	4.23	-7.1
1975	11,890	7.1	3.58	-17.1
1976	12,679	6.7	3.31	-8.8
1977	13,589	7.2	3.22	-2.7
1977 Q1	13,023	0.2	3.18	-4.8
Q2	13,250	1.8	3.18	-2.7
Q3	13,818	4.2	3.27	2.6
Q4	13,970	1.1	3.18	-0.4
1978 Q1	14,236	1.9	3.18	0.1
Q2	14,689	3.2	3.05	0.4

Source: Building Societies Association

not even beg the question whether regulation of mortgage funds can be used to control house price levels: it has conclusively disproved the theory.

The availability of mortgage funds cannot be totally ignored, but building society research makes it clear that it is far less relevant than cost and earnings.

The mortgage interest rate, which less than two years ago was a penal 12.25 per cent, steadily fell to 8.5 per cent in February where it stayed until the recent increase in 9.75 per cent. The impact of this fall in interest rate is significant. The cost of servicing a new mortgage in 1973 was 39 per cent of average earnings; in 1974 it was 42.8 per cent; but in April this year, the initial cost of servicing a new loan would have represented only 28 per cent of average earnings.

It is not surprising that borrowers were confidently chasing a new home earlier this year, despite the price rises.

Even more important is the impact of increased earnings on people's ability to extend their mortgage responsibilities. At the height of the house price boom in the early seventies the house price-earnings ratio rose to an unprecedented 4.57.

In real terms house prices have been steadily falling ever since, allowing incomes to catch up with house price levels. In the second quarter of this year, when the outcry against house price increases was most strident, the house price-earnings ratio (on second-hand homes) was actually at its lowest level for the seventies at 3.05.

It has risen, of course, since then, given the 9 per cent increase in house prices in the third quarter reported on Monday, but initial calculations indicate that the ratio is still below the accepted norm of 3.55-3.6.

The ratio for new house prices is already around this level and confirmation that once prices and incomes are in equilibrium house price increases begin to tail off is provided by the latest Department of Employment figures which show a slower growth, for the first time this year, in new house prices.

Similarly, most people within the building society movement are predicting that price rises will begin to slow down shortly. The prospect of an increase in the mortgage interest rate, which could be announced in December, can only emphasize the point.

As for the Government's experiment in mortgage rationing, the expected slowdown in mortgage funds (which will not exist year) he boasted by dipping into liquidity as they were this means that some time next year the building societies will possibly be undershooting the £640m lending target—when the whole policy, one suspects, will be conveniently forgotten for ever.

Margaret Stone



## De La Rue Ahead of Budget

Improved margins expected in second half

Trading Results

Group turnover in the first half of £57.9m, was 12% higher. Exports as a percentage of total turnover showed a 5% decrease due to the incidence and timing of certain Security contracts. Trading profits before taking into account our share of associated companies increased by 5.4% with margins at 18.5%. The expected decline in profit margins in Security from the exceptionally high levels reported last year was to a large extent offset by a marked improvement in the Graphics division. Share of associated company profits increased by £770,000.

Performance as a whole for the first six months represents an improvement on budget in spite of a disappointing result from De La Rue Crosfield which is not expected to improve in the second half.

Outlook

Although sales volumes are growing more slowly than expected in some areas of the business, margins in the second half of the year are expected to show an improvement on those for the first six months, and the Board remains confident of a satisfactory result for the year as a whole.

Sir Arthur Morman, KBE, DFC.

INTERIM STATEMENT for the half year ended 30th September 1978			
Amounts are expressed in thousands of pounds			
	1978/79	1977/78	
	Half Year	Half Year	Full Year
Sales:	£,000	£,000	£,000
Security	45,962	43,931	89,687
Graphics	11,889	7,609	20,435
	57,851	51,540	110,122
Exports	33,622	32,495	68,369
Trading profit:			
Security	8,460	9,661	21,441
Graphics	1,916	365	2,528
	10,376	10,026	23,969
Interest less central overheads not allocated	303	103	280
Total trading profit	10,679	10,129	24,249
As a percentage of sales	18.5%	19.7%	22.0%
Share of profits of associated companies	2,565	1,794	4,091
Profit before tax	13,244	11,923	28,340
Profit after tax	8,788	7,830	19,961
Minority interests	189	127	356
Profit attributable to The De La Rue Co. Ltd.	8,599	7,703	19,605
Less Proportion of Preference dividend	6	6	12
Profit attributable to Ordinary shareholders	8,593	7,697	19,593
Earnings per Ordinary share	22.6p	22.1p	54.5p
Interim Dividend — 3.908p per share (3.5p)			

## Business Diary: ICE pick • The pain in Spain

notes has "laboured at lucational coal face for some time" at Nottingham University, where he is professor of civil engineering.

As not surprising, there has been a scuttling of opinion on learning and he has addressed on taking over from Alan Muir as president of the Institution of Civil Engineers last year.

Of Coates' targets was of pocket calculators for schoolchildren who, he says, "smiling to regard the calculator as more important than the main issues under discussion this week are domestic rather than foreign. The association may soon have to appear before the Restrictive Practices Court to explain why Abta tour operators' members will sell holidays only through Abta travel agent members."

Margaret Hook, the president of the Association of British Travel Agents, has promised members that this week's annual conference in Torremolinos will be a more practical affair than its predecessor in Lisbon.

As a result, many of the smaller travel agents, who do not have the time and money to spend on junketing, have made their way to the Costa del Sol to give the conference its best attendance so far.

It makes a change for Abta to go to the kind of place to which it sends most of its clients, although the main issues under discussion this week are domestic rather than foreign. The association may soon have to appear before the Restrictive Practices Court to explain why Abta tour operators' members will sell holidays only through Abta travel agent members.



Can 2,300 travel agents be wrong? Abta's Margaret Hook.

planning a holiday of their own, therefore, people buy off-the-pag package tours—hardly a real holiday at all," Cooper said.

"We find afterwards both a sense of intense depression following the holiday but also that people get enormous pleasure out of telling about the things that went wrong."

The system, he added with a note of regret, usually found and eliminated these. Coates himself was educated at the institution where he now teaches.

Walter Davies, the secretary of the British Chamber of Commerce in Milan, has a personal interest in letters of protest about postal delays that have been sent to the Ministers of Posts and Foreign Trade by the Union of Foreign Chambers in Italy.

Davies sent out nine invitations to people in Britain to his daughter Carla's wedding, which was held in Milan on September 23. Of these nine, sent out six weeks in advance, one did not arrive until the day of the wedding, five did not seem to have arrived at all—and three arrived in good time.

Incidentally, at the time Business Diary spoke to Davies, a reply had been received neither from the Posts minister, Nino Gulloni, nor from Rinaldo Ossola at Trade. Could it be that the union's letters did not arrive?

The director of the posts ministry has said elsewhere, however, that absenteeism is the main culprit. He speaks, perhaps optimistically, of an efficient service in about two years.

British companies in the Milan area now have courier arrangements to take mail over the Swiss border for posting. Those in Rome say that they can speed things up by posting from the Vatican.

Davies plans to bring up these Italian postal delays in London later this month at a meeting of British Chambers of Commerce in Europe.

I am pleased to report that Carla's wedding was not spoiled by postal delays. As the date approached and no replies were forthcoming, her father took to telephoning.

Elrlys Roberts, the indefatigable doyenne of British consumerism, has just been elected chairman of the environment consumer protection sub-committee of the influential Economic and Social Committee in Brussels. This will get her out of the Community workshops, where she has been a regular presence since 1974, and into at least the peripheral corridors of power.

But Miss Roberts already has another project under way—a research institute devoted to consumer affairs at the European level. Tentatively named Erica (for European Research Institute of Consumer Affairs) it is to be launched with a £15,000 grant from Miss Roberts' former employers, the Consumers' Association.

Miss Roberts will be Erica's president and her aim will be to prove the project's worth by commissioning some weighty pieces of research.

The first question she is likely to put to the academic test is whether consumer organizations really represent consumers and, if not, how they can be made to do so.

Seagrams, the American distillers say that women have a growing influence on the wine market and are the importers and "decision makers" in choosing wine. Thus, to publicize Argentinean wines in Britain, the company invited the editors of women's magazines to a pre-launch tasting. Three of the four magazines which accepted chose to be represented by men.

Ross Davies



## FINANCIAL NEWS AND MARKET REPORTS

## De La Rue below market hopes but graphics gathers strength

By Michael Prest

Shares in De La Rue, the security printers and makers of specialist printing and sorting machinery, fell 30p yesterday to 385p after the market heard that half-time profits were £13.2m, just £1.3m more than last year. Analysts were going for £15m pre-tax.

Sales were £57.9m for the six months to the end of September, up £6.3m, and exports were £1.1m ahead at £33.6m. After-tax profit of £8.79m would have been reduced by £1.4m if a full tax charge of 52 per cent had been paid on United Kingdom profits.

The bright spot in the results was the £13.2m trading profit (£365,000) turned in by the graphics division, whose main products are the Magnesium colour scanners made by Crossfield Electronics. Mr. Freddie King, De La Rue's finance director, said that higher sales of equipment and an evening-out of orders had mainly contributed to the result. The company has about 70 per cent of

the European market for this type of printing machinery, between 40 and 45 per cent of the American market, and about half the Japanese. These shares are growing in the face of Japanese and West German competition.

Profits from the security division, which is chiefly concerned with designing and printing bank notes, credit cards, cheques and other valuable documents, fell by about £1.2m to £8.46m. Mr. King said that the figures were distorted by three exceptional contracts won last year which brought in profits of about £1m.

But he also admitted that margins in the security division, which had previously been very high, were slipping. Nevertheless, banknotes still enjoyed a margin of around 20 per cent and trading profits as a whole, without associated companies, had an 18.5 per cent margin.

Reasonable profits on electronic sorting machinery which currently makes losses are expected by 1980. Earnings per share were 22.5p, and the interim dividend is 5.33p gross. The company's strong cash



Sir Arthur G. Norman, chairman of De La Rue.

position could lead it to consider acquisitions, Mr. King added.

## Associated British Foods

### Half Year Progress Report

The Directors of Associated British Foods Limited announce unaudited profits for six months ended 30 September, 1978.

	Six months to 30 September, 1978	Six months to 1 October, 1977	Year to 1 April, 1978
Sales in Customers	877,000	817,000	1,678,000
Trading Surplus	54,300	50,400	115,200
Less Depreciation	14,400	13,100	26,900
Group Profit	39,900	37,300	88,300
Less Interest charges	6,200	5,300	10,700
Profit before Tax	33,700	32,000	77,600
Less United Kingdom tax	10,300	8,500	22,900
Overseas tax	5,300	6,000	12,200
Profit after Tax	18,100	17,500	42,500
Less Minority interests	3,400	4,100	8,000
	14,700	13,400	34,500
Preference dividends	20	20	40
Ordinary dividends			
1st Interim	3,179	2,839	2,839
2nd Interim	—	—	5,437

An interim dividend of 0.883p will be paid on 12 March, 1979 to shareholders registered at the close of business on 5 February, 1979. Including tax credits this dividend is equivalent to 1.3258p per share.

The above results reflect the recent substantial realignment of currencies which have taken place. Although worldwide sales have only increased by £60 million, this is after taking into account reductions of £20 million for currency realignment and £35 million following the sale of Alliance Wholesale Grocers. In the United Kingdom profits before tax increased by £3.7 million while overseas profits were £2 million lower of which £1.1 million is accounted for by currency realignment.

The improvement in the results of our manufacturing division in the United Kingdom has largely been due to the return to marginal levels of profitability of our Bakery companies. Whilst the contributions of some of our smaller manufacturing companies were below budgeted levels, the results in total can be considered satisfactory. Despite the continuity of the High Street price war our retail division improved its market share. Although profitability for the period was below the corresponding months of the previous year both sales and margins have improved and it is anticipated that these trends will continue.

Sales in Australia increased by 9 per cent, whilst profits were nearly 14 per cent higher. Although increases in labour costs have steadied they will have a significant impact on the labour intensive industries in which we operate. It is considered these satisfactory results will continue in the second half of the year.

Profits in South Africa were 20 per cent, lower compared with the same period last year despite an increase of 11 per cent, in turnover. Overproduction caused by excess capacity and lack of demand in a number of industries in which we operate created great pressure on profit margins, particularly in the egg, feed and poultry divisions. However, it is anticipated that more stable conditions will prevail in the second half of the year.

The results of the overseas companies may well be affected by further substantial fluctuations in exchange rates in the second half of the year. Given the uncertainty under which the whole of British industry is placed, in relation to the Government's attempt to maintain a pay policy, which is currently highlighted by the situation in the Bread industry and which, in turn, is critical in other labour intensive areas of food manufacturing and distribution, it is impossible for me to be optimistic about the outcome for the year.

GARRY H. WESTON Chairman.

#### NOTICE OF REDEMPTION

To the Holders of

Compañía Anónima Nacional  
Teléfonos de Venezuela

8 1/2% Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 15, 1972 providing for the above Debentures, \$350,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1978, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest thereon to said date:

OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

ALSO OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE FOLLOWING NUMBERS:

183	163	1563	1263	4063	4763	5563	6363	7163	9063	10263	11063	12063	12663	13963	14763
583	563	5763	5463	5063	5763	5763	5763	5763	5763	5763	5763	5763	5763	5763	5763
583	1163	1563	3463	4263	4963	5763	7163	8163	9263	10563	11363	12263	13063	14263	14963
583	123	17763	1663	1063	5063	5063	7263	8263	9363	10663	11463	12663	13663	14363	
583	1363	13663	1463	1463	1163	5063	7463	8463	9563	10863	11663	12863	13863	14663	
583	1663	16663	1763	1763	1663	5063	7663	8663	9763	11063	11863	13063	14063	14863	
583	1663	1663	1763	1763	5063	5063	6363	7663	8763	9863	10663	11863	12863	13863	14663



## FINANCIAL NEWS

Ship from Martonair as better  
gains bring in 34pc rise

Mr. Unsworth, International, the control equipment, improved profit during the year to proper cent increase in profits to a record

including a 10-tribution from the subsidiary, whose year-end, announced. This represents a 17 increase on last year's 1 enabled the group overheads, while a expected increases ce of raw materials cost trading margins per cent to 16 per e year ending July

is also proposing a scrip issue, which will enable it to give a increase in divi- year. The share p to 190p yesterday. The group is con- a 10 per cent



Mr. George Godwin, chairman of Martonair.

grained by dividend controls to interest on the final to 63p gross. This makes a total of 8.98p compared with 8p last

## nson tactic sparks profit

office and domestic manufacturer, A. Holdings), spent the 31 concentrating on its profit margins, a boosting turnover, produced the intend- with pre-tax profit per cent of £86,000 over rose by 11 per record £13.2m. The rose 3p to 78p.

Albans-based group ended its July 31 from increasing the y more than the sta- per cent. A final of has been recom- a total of 3.17p

compared with 2.89p last year. Mr. Archy Areson, chairman, pointed out that this dividend is 7.1 times covered—the highest ever—and will be the reference level for increasing dividend payments during the current year as regulations and profits permit. The group is likely to make extensive use of its opportunities under the legislation to host the dividend.

"It is regrettable that we are unable this year, only last day to take advantage of the new regulations," he added.

While there was a reasonable increase in United States exports, the French election

year. Last year Martonair made a one-for-eight rights issue, at 100p a share to raise £1.2m and made a 57 per cent increase in the dividend, which precludes an application to the Treasury for a further boost.

The French subsidiary made a substantial turnaround making profits of £33,000 in comparison with £200,000 losses last year, and the group expects a larger profits contribution in the current year. Part of last year's losses were caused by redundancy payments and a rigid price control policy when costs increased sharply.

This year the group increased its United Kingdom market share by about 2 per cent to 25 per cent, while United Kingdom sales rose from 22 to 24 per cent of the total. European sales fell from 70 per cent to 68 per cent, while North America, Australasia and other countries, which account for the remainder, remained at about the same level.

forced a standstill in the group's turnover earlier this year. The Belgian market was restricted by political instability and the Middle East, which accounts for 25 per cent of exports, suffered from overstocking by distributors. But the current year has started well according to Mr. Areson. The group plans to increase sales during the year as well as improve margins. It has also launched a drive in the past few weeks to hang fabrics against walls which will initially be distributed through upholsterers and department stores.

Barclays Int  
thrushes  
deeper into  
France

By Ronald Pullen

Barclays Bank International is extending its frontiers still further in France with the acquisition of majority interests in two companies controlled by insurance group Societe de Mure—a Grenoble-based private bank Banque La Prudence and finance company Societe Financiere Laiterie.

Four months ago BBI took a 51 per cent interest in a Paris merchant bank and a 26 per cent holding in a Monte Carlo based medium and long-term finance group. And earlier this year it bought two branches in eastern France.

This acquisitive spree now takes Barclays' French balance sheet past the 5,000m francs mark and after tax profits have grown from 4.4m francs in 1973 to more than 16m francs last year. The latter figure is small in comparison with balance sheet totals of around 200m francs and net assets of 6m francs, but take Barclays into 25th position in the French banking league.

Mr Peter Leslie, a general manager of BBI, explained yesterday that the bank was improving its representation in the triangle bounded by Geneva, Lyons and Aix-les-Bains where strong industrial activity provided good lending opportunities.

Barclays' venture highlights a growing interest in France by British banks with the Midland opening a Paris office last month to provide services to French exporters and a year ago National Westminster sold a 35 per cent stake in its credit factoring subsidiary to Credit Lyonnais to extend its market in France.

Change in  
policy jolt  
for Bank  
of Ireland

Bank of Ireland, as expected, has been even harder hit than Allied Irish Banks showed it had been in its first-half figures last week by the change in monetary policy by the Irish Central Bank. This has forced the banking system in Eire to turn to the Central Bank for rediscounting facilities to meet the strong demand for credit in such a fast expanding economy. This also led AIB last week to make some acerbic comments about the tough liquidity ratios to which banks in the Republic have to adhere.

For Bank of Ireland the upshot has been a fall in parent bank operating profits in the six months to the end of September from £17.4m to £17m where AIB managed to come out marginally ahead despite growth in advances of a quarter.

The second half of last year, profits were a full £1.4m adrift. With pre-tax profits up from £20.4m to £20.8m, the Bank of Ireland has once again fallen behind the growth shown by the rival AIB. In the second half, however, as interest rates start to rise, Bank of Ireland's higher proportion of current accounts should mean it sees endowment gains over AIB. Increases in staff costs too have been contained in the first half and despite the doubts caused by Ireland's possible entry to the EMS, the bank says second half profits should be "considerably" higher. The interim dividend on the enlarged share capital goes up to 10p a share gross but despite this the figures were sufficiently below par to lower the shares 17p to 385p.

## WHITBREAD

AND COMPANY LIMITED

## HALF YEAR REPORT

Whitbread and Company Limited announced the following Unaudited Profits for the six months to 26th August, 1978, and an Interim Dividend of 1.3234 pence per share (1977/78 = 1.1857 pence including 0.0384 pence for tax adjustment). Taken with the appropriate tax credit, the Interim Dividend represents an increase of 10%, and includes an additional payment of 0.0423 pence in respect of the Final Dividend for the year to 25th February, 1979, which was declared prior to the reduction in the basic rate of income tax from 34% to 33%.

£000's	Six Months to 26/8/78	Six Months to 27/8/77
Turnover	320,685	278,979
Profit before depreciation and funding charges	44,135	35,986
Deduct: Depreciation	7,120	5,904
Bank and Loan Interest	5,234	5,334
Gain on foreign exchange	(145)	(201)
Profit before Taxation and Extraordinary Items	31,926	24,949
Current Taxation	8,106	4,770
Profit before Extraordinary Items	23,820	20,179
Extraordinary Items, less Taxation attributable thereto	1,020	816
Attributable to Minority Interests	(9)	(40)
Profit attributable to Members of Holding Company	24,831	20,955
Preference Stock Dividend	208	208
Interim Dividend on Ordinary Shares	3,015	2,669
Interim Dividend—pence per Share	1.3234	1.1857
Earnings—pence per Share—Basic	10.46	8.86
Fully Diluted	9.55	8.09

## NOTES:

- The 1977 comparative figures for depreciation, taxation and earnings per share have been adjusted to reflect changes in national accounting policies recommended by the accountancy institutes and adopted since the date of the Interim Announcement for that period:
  - Depreciation: £280,000 depreciation has been provided in the 1977 figures in respect of freehold industrial buildings.
  - Taxation: The 1978 charge for taxation has been reduced by accelerated capital allowances and stock appreciation relief to the extent of £8,260,000 (1977 £8,178,000).
  - Earnings per Share: Earnings are based on Profits before Extraordinary Items and after deducting preference stock dividends and amounts attributable to minority interests. As in previous years and pending the agreement of a new national accounting standard, the movement in foreign exchange has been included in earnings for the purposes of calculating earnings per share.
- Following the method of presentation adopted in the annual Statutory Accounts for 1978 interest receivable on Government securities and short term deposits has been excluded from Profit before depreciation and funding charges and deducted in arriving at the charge for Bank and Loan Interest. The 1977 comparisons have accordingly been reduced by £1,207,000.
- The interim dividend will be paid on 11th January, 1979, to shareholders on the Register at close of business on 24th November, 1978. As a result of the conversion of approximately one-tenth of the £14.4 million 11% Convertible Unsecured Loan Stock 1969/95 on 15th September, 1978, and the exercise of a number of employee share options the ordinary share capital on which the interim dividend will be paid has increased to £56,361,587 (£56,269,406 25th February, 1978).

Turnover was £320,685,000, an increase of 15%. Profit before Tax and Extraordinary Items was £31,926,000, and Profit after Tax was £23,820,000, increases of 28% and 18% respectively.

It is encouraging that the trends reflected in the second half of last year have continued. These increases were largely due to improved customer service in an atmosphere of better industrial relations as compared with 1977/78, allied with the price competitiveness of our brands. These factors resulted in an increase in volume above the general U.K. beer market trend—an improvement we hope to maintain in the second half.

Growth in Heineken and Stella Lagers, both in draught and especially in cans, was notable in an increasing market for lager. Whitbread Troby Bitter and local Bitters continued to make steady improvement, as did Gold Label, English Ale and Brewmaster. In our soft drinks company, the continuing market share growth of Rawlings mixers is most encouraging.

Our wine sales were substantially up over last year and have recently been growing faster than the market. In particular, we again made excellent progress in the U.K. with our Corrida brand and French table wines, and both in the U.K. and overseas markets with our Langenbach German wines.

Long John International again improved its profit contribution by greatly increased sales of Long John whisky in the U.K. and overseas.

We believe we should maintain our momentum throughout the second half of 1978/79. Further trading progress next year must be subject to economic conditions, mainly the control of inflation, and continuing good industrial relations. We are planning to invest £60m. during our next financial year.

THE BREWERY, CHISWELL STREET, LONDON EC1Y 4SD

## rocanadian cuts stake in Furness Withy

Shippings and Furness Withy, taking down to 18.41 per cent, is thought to have the market last around 245p against erday, down 2p on

adian has been the Monopolies Commission to reduce its stake by the end of 1979, evious 25 per cent sold some 5 per cent

some market men that, with Euro- showing willing to i its holding, there u pressure applied al to meet the dead- ing is no longer u that Eurocanadian n to more than 10 f the equity.

ber 1976 a merger urness Withy and the sed Eurocanadian l on the grounds that e against the public

res of Furness have adle market over the 18 months on hopes pear Ferries, which its 5 per cent cana- dian, will launch bid. This has been European Ferries.

g bonds 18pc and towards higher rates continue, Mr's issue of local bonds shows a rise upon from 11 1/2 per cent. Easily a borrower is Man- a bond for £3.5m, to £1.2m in raising Strathclyde £1.25m, and Dundee are each n.

ig brings late

to Burndene

aldow, the chairman ne Investments says improvement in the United Kingdom con- pending in recent as not hesitated al ally. It is only since r, when new models ented, that the car- saw any improvement d. He hopes that it ce its losses but profit will depend on

ale offsets losses as  
raven resumes dividends

a four-year absence, Brewery is returning dividend list with an ayment of 0.62p gross. from the real ale business of Belhaven, CH Investments, went r cent to £346,000 in uths to September. Mr. Sifferting, a 98 per ge in profits from the hotels operatio. ft trading profits 12 ahead at £348,000, on up 55 per cent to slashed from £184,000 0, pre-tax profits have m £2,000 to £138,000, the shares closed d at 43p.

oup's trading position es to improve in the alf, according to Mr. Currie, chairman, and is expected to reach This compares with year ago when the ide a pre-tax loss of

urrie says that in the Kingdom the past six ing seen the group's rrelage rise 17.9 per inst a national average per cent. Brewery margins have been re- y increased costs, and

## Briefly

as a direct result of intense competition from the major brewers in Scotland, and the North of England, the board has not increased its selling price. It will do so in January.

In Berunda, profits suffered from the 1977 disturbances, but an improved position is expected next year. The Inns and managed houses subsidiary produced an improved profit.

SUNGLER BARRU RUBBER ESTS Turnover for year to June 30, £765,000 (£686,400). Pre-tax profit, £129,100 (£154,300). Final dividend is 2.2p gross (1.99p gross). Making 2.59p gross (2.74p gross).

TAYLOR, FALLESER & CO London and European Group has purchased further 3,000 Taylor, Falleser shares making total holding 189,950 shares (24.14 per cent).

PARKER KNOLL Group's market remains strong, chairman states. Orders received are substantially higher in real terms than comparable period a year ago.

ICFC buys stake in  
transformer maker

Industrial & Commercial Finance Corporation has financed the purchase of Parsonage Transformers, a subsidiary of Nevil Electric (Holdings), by its managing director, Mr Derek Chalder.

ICFC is providing a substantial cash injection for the deal and has bought 25 per cent of the company's shares. The company makes electrical components, mainly to customers' specification. Its main products, line transformers, range from 1VA to 150 KVA. The transformers are used throughout the electrical industry.

Slingsby jumps  
52pc at mid-term

Over the six months to June 30, pre-tax profits of H. C. Slingsby, went up 52 per cent to £73,000 on the back of turnover 12 per cent ahead at £1.81m. The dividend of this Bradford-based maker of trucks and ladders is held at 0.5p net, giving a gross payment of 0.83p against 0.5p. Earnings a share rose from 4p to 6.18p.

The board points out that no tax relief will be available this year for losses in the overseas subsidiaries.

## Investment in Canada

Ottawa—The Canadian Government has rejected a proposal by Fluor Canada, a subsidiary of Fluor Corp. of the United States, to establish a business in Vancouver to warehouse and distribute metal pipe and tubing. Nine other foreign investment projects were accepted, including: A proposal by BSR of Britain to acquire control of Tucker Plastic Products and Judge International Canada—A.P. Dow Jones.

Howard & Wyndham  
borrowings rise

Howard & Wyndham, the publisher and retail jeweller and former theatre operator, showed increased borrowings of almost £1m at the year-end, June 30, compared with the previous year.

Bank borrowings amounted to £3.3m, an increase from 127 per cent of shareholders' funds to 148 per cent.

Mr. Ralph Fields, chairman, said in the annual report that the trading and profit performance of the publishing operations has improved substantially over that of last year and is now "on target".

Margin pressure at  
Walker & Staff

Walker & Staff Holdings increased profits for the half year to September 30 from £71,800 to £75,900 on turnover up from £1.1m to £1.26m.

The board expects home sales for the second half to be at

least maintained hut pressure  
on margins will continue

The full year's dividends will be at least maintained, and increased if legislation permits.

EIB lends £210m to  
Water Council

The European Investment Bank is to lend up to £210m to the National Water Council. This will raise total EIB lending to the United Kingdom since it joined the EEC to £1,250m. The bank, which is the long-term lending arm of the European Community, has also announced the opening of a United Kingdom liaison office with the aim of stimulating private sector loans. Since the government started offering exchange risk cover for private sector borrowers, inquiries for money have increased but this year state undertakings will still account for £230m of the EIB's £300m commitment to the United Kingdom.

Check to growth at  
Airflow Streamlines

Sales of Airflow Streamlines rose from £5.2m to £6.1m in the six months to August 31, but profits slipped from £458,000 to £402,000. The dividend is 0.5p against 0.5p. This Ford main dealer and maker of cabs and pressings for vehicles.

The board says that reduced demand was experienced in the manufacturing division, and industrial disputes among major customers and suppliers could have an effect on the second half. The motor division has been good so far, but the Ford strike will take its toll.

Jessups up 40pc  
in peak year

Following up its 59 per cent rise in first-half profits, Jessups (Holdings), a London-based car dealer, made a further £445,000 profit in the second half—an increase of 29 per cent. Over the full year to August 31, this main dealer for Vauxhall, Bedford, Ford, Opel and Datsun cars manager a 40 per cent increase in profits to £773,000 on turnover of £25.7m against £21.2m—both easily a record.

## The dividend is raised from 2.35p to 2.94p gross, and earnings a share are 8.72p against 6.74p.

A revaluation of group properties showed a surplus of over £300,000 on book values. The board proposes to convert the group's 10p shares into 25p units.

Scotcross go ahead  
at half-time

Mr W. Alexander, the chairman of Scotcross, in packaging, food and drink and transport equipment, was looking for improved results this year now that the Caltrex plant, the major cause of last year's setback, is no longer a drain.

profits. As a start the group's profit for the six months to September 30 are up from £476,000 to £531,000 on sales of £13.9m against £9.3m.

The interim dividend is raised from 1.22p to 1.34p gross. The period of revaluation in both the United Kingdom and France is proceeding and

## Bank statements for October

Statements of the London Clearing Banks and their banking subsidiaries in England and Wales, the Channel Islands and the Isle of Man made up to October 18 are summarized in the table below:

£ millions	Total	Change on 10/9	Barclays	Lloyds	Midland	National Westminster	Other
Total deposits	56,166	+1,356	14,089	10,876	11,690	16,822	12,790
Current deposits	56,166	+1,356	14,089	10,876	11,690	16,822	12,790
Time deposits	19,764	+316	5,900	3,254	2,001	4,250	3,460
Overdrafts	10,738	+220	5,173	2,602	1,690	2,787	2,500
Other	1,662	+276	212	78	148	194	22
Special deposits	1,153	+253	4,339	6,365	8,232	1,232	22
Reserve ratio (%)	13.9	-0.3	13.7	13.0	13.0	13.0	12.6

Copper-Neill  
Interim Statement

The Directors of Copper-Neill Limited announce that the unaudited results for the first half of the current year to 31st March, 1979, are as follows:—

	Six months ended 30th Sept. 1978	Six months ended 30th Sept. 1977	Year ended 31st Mar. 1978
Turnover	41,320	30,501	69,125
Group trading profit	2,564	2,184	5,519
Interest payable	304	322	293
Group profit before taxation	2,260	2,062	5,226
Taxation	1,233*	1,127*	601
Group profit after taxation	1,028	935	4,625
Amount absorbed by dividends	271	243	480

\* The taxation charge for the two six-month periods is calculated on a notional basis ignoring both stock relief and any difference between the tax allowances given for capital expenditure and the depreciation provided in arriving at the profit. Full allowances for both these adjustments is included in the tax charge for the year ended 31st March, 1978.

## DIVIDENDS

Directors declare maximum allowed increase. Dividend of 1.70p gross per share which includes associated tax credit.

- \* Increase in Group Trading Profits
- \* Satisfactory Order Intake
- \* Profitable Trading Continues
- \* Overseas Contracts Progressing Satisfactorily

## PROPOSED RIGHTS ISSUE

One new Ordinary Share for every four held at 67p per share.

For 1978/79 Directors expect to recommend dividends totalling 4.75p gross per share (3.1944p gross per share for 1977/78).

For 1979/80 Directors expect to recommend dividends totalling 6p gross per share.

Whereas for the dividend will be posted on 30th January, 1979 to shareholders on the Register at close of business on 1st December, 1978.



Storage, pipework, materials handling and process plant for world industry.











